

Campers

In the name for brooches, earrings, necklaces, M&A, to move on quickly, acquisitions, a bumper crop of goods. And again to influence the Nixon colleague to influence the government official so highly influential as to be capable of an entire country.

relationships" is the title of a new Henry Brandon, long of London, dean of the corps of foreign correspondents in Washington, their home. I am sure enough, Brandon has a mission from American to English "kids" of the Kennedy era. British defense staff who needed to know the latest had to impart the meaning of the phrase to his colleagues. He gave for them, writes Brandon, served three different red tell him how, according to that after they had done that he told and then he asked them who to consider, they would be shorter: "The wine samples did not, it cleared their minds, and I entered the English vocabulary, special relationship." That phrase, a new American political minister. The source is West-

of abandon our special relationship, States and Canada, the various of Commons on Nov. 1, 1983. The following Monday, in Fulton, Missouri, he is speaking with this passage: "There will be gained without what final association of the English means a special relationship between, wealth and Empire and America." speakers, that would have special relationship speech." Later, what is known as "the Iron Chilli had coimages to spare.

the puissance of the phrase power headline in USA Today, on the S. Gorbachev. Ronald Reagan: at down to dine on Governor's last minute. "Power Lunch is On Top" was the ultimate power lunch, he attributive near power nature, powerful, gained prominence was Wright Mills's power elite was: 1. White's power elite and war; campus slang use of power elite; registration.

New York Times Service

Table with columns: LIGHTS, THE COBURG, AGES, and other categories listing various items and prices.

Page 9 FOR MORE CLASSIFIED

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General News, Business/Finance, Japanese curbs on car exports to the United States may be lifted soon.

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Vikings Beat Rams, 28-17

Joey Browner's two first-quarter interceptions set up two touchdowns 21 seconds apart that sent the Minnesota Vikings on their way to a 28-17 victory over the Los Angeles Rams on Monday and into the quarterfinals of the NFL's Super Bowl derby. The Vikings now play San Francisco. Page 9.



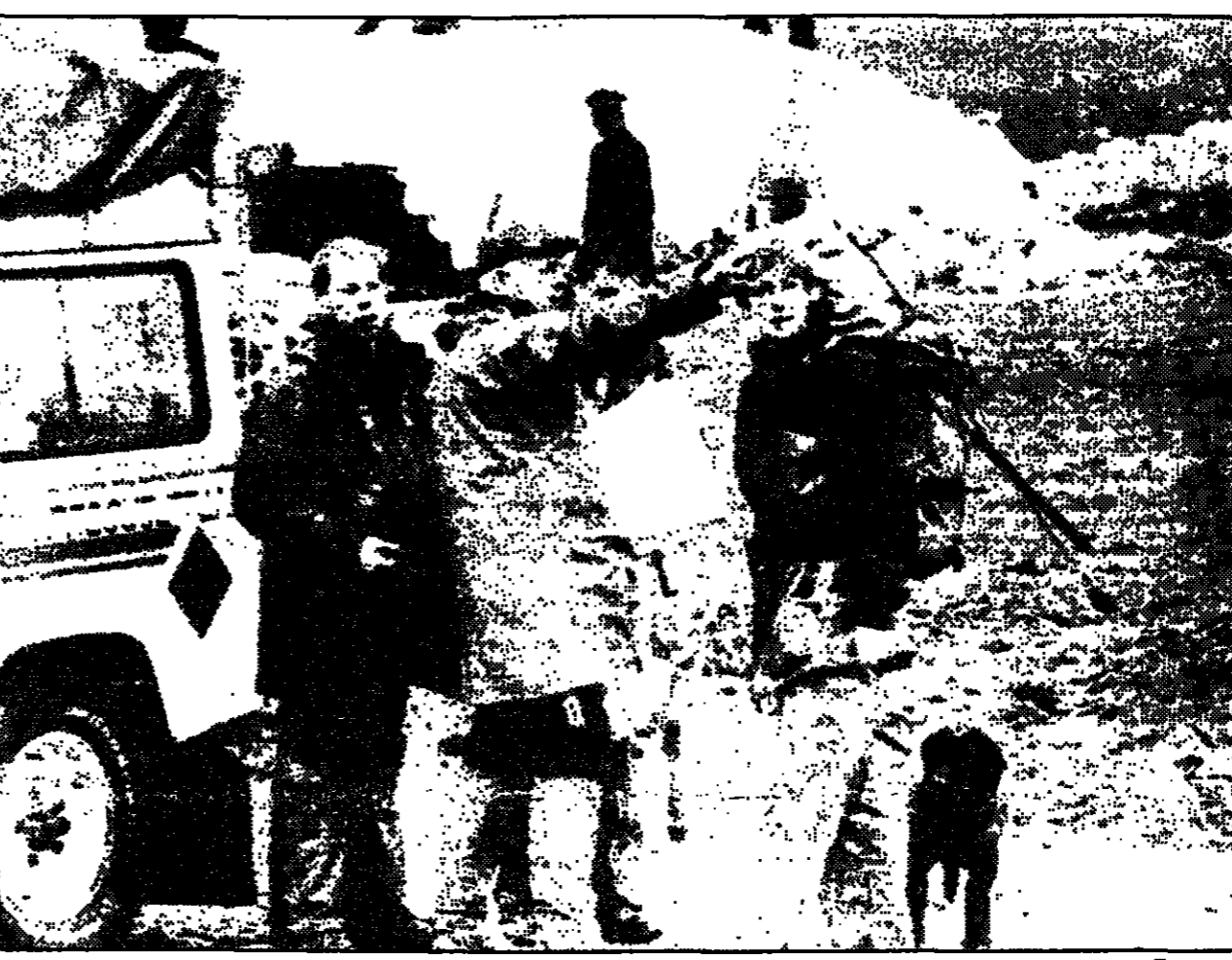
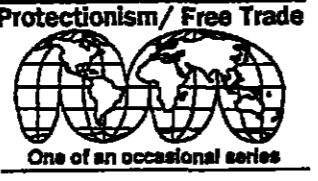
The Lost Pride of Japan's Middle Class

Present Conditions Are Shaking the Consensus of Traditional Society

By Susan Chira
New York Times Service
TOKYO — From the window of an anonymous apartment building in the eastern suburb of Funabashi, the Japan of Mercedes-Benzes and \$38 million Picassos seems far away. In Funabashi, a 44-year-old housewife lives with her husband and her three children in a three-bedroom apartment of 517 square feet (48.02 square meters). Her husband works in Tokyo for a construction company, and they spend most of their discretionary income on the children's education. For years, Japanese prided themselves on all belonging to one great middle class. But now, according to a series of recent government reports, this article of faith — and perhaps the social cohesion and willingness to sacrifice that it engendered — is eroding. The reports conclude that just as the nation is emerging as an economic superpower, more Japanese see gulfs between the rich and everyone else, and most believe their standard of living does not reflect Japan's affluence. That gulf may widen because of the tax overhaul passed Saturday, which cut income taxes while imposing a 3 percent sales tax. Critics say the overhaul benefits wealthy families disproportionately and hurts low-income Japanese because the sales tax will raise prices on daily necessities. The great divide in Japan, the government reports agree, is between those who own homes and those who do not. Because land prices have soared in recent years, people who own or inherited land are well off (at least on paper); people who do not are shut out. High land prices also mean that those who do buy homes are burdened with such huge debts that they cannot spend money on anything else. The 1988 White Paper on National Life, issued recently, also noted gaps between those who own stock, and thus cashed in on the Tokyo market's record-setting highs, and those who do not; and between consumers who can indulge in the new boom for luxury goods and those who cannot. The housewife in Funabashi belongs to the other Tokyo, the one beyond the gleaming downtown neighborhoods of expensive boutiques, cruising Jaguars and well-dressed women wearing diamond necklaces. This other Tokyo boasts vistas of identical apartment blocks, blue-suited men who disappear into crowded commuter trains and doze on the way to work, women who pull on everyday clothes and wear little jewelry apart from wedding rings. "When I hear about all these luxury apartments, I feel like it is happening in a different world where I do not belong," said the Funabashi housewife, who like many others is not sharing the new affluence but is reluctant to admit it. "But when I actually heard that one of my neighbors who built a gorgeous house that cost hundreds of millions of yen could do that because they owned a small plot in central Tokyo, I felt upset, felt something is wrong with this society." It is this growing sense of unfairness that worried the government planners who drew up the white paper as well as a report on Japan's See JAPAN, Page 2

U.S.-EC Showdown Is Nearing

By Barry James
International Herald Tribune
PARIS — The posturing is over: A trade battle between the United States and the European Community is less than a week away. On Jan. 1, the EC will start turning back shipments of U.S. meat containing hormones, calling the products potentially harmful to human health. The next day, the United States will ban an equivalent amount of European agricultural products. The EC threatens to retaliate immediately with a further ban against U.S. products. Referring to the 1987 "pasta war" and other disagreements, Nico Wegter, a spokesman on agricultural trade matters for the EC, said: "We have had similar disputes in the past, but eventually we could always find a solution at the last minute. This time, I don't see how a settlement can be found before Jan. 1." Alfred H. Kingon, the U.S. representative to the EC in Brussels, said: "There is an important principle here that is being tested. The principle is whether any country, the United States included, has the right under the rules of the General Agreement on Tariffs and Trade to use the health rubric to take an arbitrary action not based on scientific evidence." European concern over hormones began with reports in 1980 that Italian infants who had eaten baby food containing hormone-treated veal were developing breasts. Pressure from consumer organizations and the European Parliament has caused the uniform imposition throughout the 12-nation community of laws banning hormone additives for all but therapeutic purposes. The United States was given a year to comply, but according to Mr. Wegter, "The Americans have been telling us since last year that they won't." The United States still allows the sale of meat containing natural hormones, but said Mr. Kingon: "I am convinced that our health standards are as safe as anyone's. Not only are we the most health-conscious people in the world, we are crazy about health sometimes." Hormones are often used to increase an animal's growth, which enables producers to raise fatter livestock for less money. Mr. Wegter said this would give American farmers an unfair competitive edge on European producers. "Some people say the United States is the most health-conscious people in the world, we are crazy about health sometimes." Some people say the United States is the most health-conscious people in the world, we are crazy about health sometimes. See TRADE, Page 2



Standing near the cockpit of the jet that crashed in Scotland, searchers received instructions Monday as the hunt for bodies continued.

Tests Set On Debris From Jet

Suspect Suitcase Is Flown to Lab As Inquiry Shifts

By Craig R. Whitney
New York Times Service
LONDON — Investigators have found a suitcase and several pieces of wreckage at the site of the Pan American World Airways crash last week that could show whether a bomb blew the plane apart and have flown them to an army ordnance laboratory to be checked for traces of explosives, officials said Monday. Penny Russell-Smith, a spokeswoman for the Department of Transport, said Monday in Lockerbie, Scotland, that the suitcase had not been selected at random. "This particular suitcase and the pieces of wreckage exhibited certain characteristics that merited further examination," she said. She gave no further details about the condition of the suitcase. Pan Am said the suitcase had been checked onto the plane in London. Michael Charles, who is heading the investigation by Britain's Department of Transport into the tragedy Wednesday, said the fragments were being taken to the Royal Armament Research and Development Establishment in Fort Halstead, south of London, "to determine whether they exhibit evidence of a pre-impact explosion." The facility is known for research into the causes of explosions. Scientists there will be assigned to seek residue from explosive material or other evidence, such as metal twisted in certain ways, indicating whether a bomb went off before the aircraft fell apart. The crash killed all 258 people aboard the 747 jumbo jet and probably 11 others on the ground. The statements were the closest that the British authorities have come to saying that they might have a lead in the investigation of the crash, though Mr. Charles still did not rule out the possibility that structural failure, rather than an explosion, had caused the plane to disintegrate. But, while last week the authorities were saying that they had found no evidence of a bomb, Mr. Charles's statement put it the other way — that no evidence of structure-

See CRASH, Page 2

Latin Rebels Discover Their Limits

By Julia Preston
Washington Post Service
SAN SALVADOR — In January 1981, 10 days before President Ronald Reagan was inaugurated, guerrillas launched attacks across El Salvador, boasting that they would seize power by the time Mr. Reagan took office. Eight years later, with the Reagan presidency in its closing weeks, it is evident that the rebels' "final offensive" was no more than one of the earliest campaigns. Today, El Salvador's 6,000 guerrillas are still camped in the mountains, waging a stalemated war of attrition with the U.S.-backed Salvadoran Army that has cost 65,000 lives. Most of the victims have been civilians. One month after Mr. Reagan be-

came president, the State Department issued a "White Paper" with evidence that the leftist Sandinista government in Nicaragua, then 19 months old, was helping to transfer arms from the Soviet bloc to the Salvadoran guerrillas. The document provided the tone and rationale for an anti-Communist policy that would soon lead Washington to form an army of Nicaraguan rebels, known as contras, to oust the Sandinistas. Today, more than 10,000 contras, their ammunition clips empty and their rifles rusting, are languishing in base camps in Honduras. The Sandinistas remain in control in Managua, but nearly 30,000



SNOWSTORM HITS ARMENIA — Two children try to warm up over a fire amid the debris of the earthquake in Leninakan as a heavy snowstorm blocked roads into the area Monday. The heating plants that produce steam for the radiators of the city were destroyed in the earthquake.

Chinese Clash With Africans in Nanjing

By Nicholas D. Kristof
New York Times Service
BEIJING — Thousands of Chinese workers and students marched through the eastern Chinese city of Nanjing on Monday, shouting racist slogans after two days of clashes with African students in the city. The demonstrations, which included a sit-in Monday by several thousand people in front of the provincial headquarters, appeared to be the most significant sign of unrest in China since student demonstrations were quashed by the government nearly two years ago. "Their attitude was just, 'Get the blacks,' and 'Black devils!'" The weekend's clashes, in which mobs of Chinese attacked the African students' dormitories and destroyed their possessions, also were the worst examples so far of the racial tensions between Chinese and Africans that contradict China's professed Third World camaraderie. Some of demonstrators called for more democracy and for equal treatment under the law for both foreigners and Chinese. Westerners in Nanjing said, but mostly they chanted slogans like "Down with blacks!" and "Black devils!" When institute officials told the crowd that there were no blacks there, the mob left for the train station, to which some 140 African and dark-complexioned Asian students had fled after their dormitories were attacked. While China has emphasized its relations with other developing nations, and has given scholarships to many African students, the Africans frequently complain of racism, and several disputes have broken out over the years. Many Chinese students apparently resent the benefits that African students enjoy as foreigners, such as larger scholarships and better housing. African students have rooms to themselves, for example, while Chinese at Hehai University, See CHINA, Page 3

On East German Line, a Usual Soldiers' Holiday

By Robert J. McCartney
Washington Post Service
OBSERVATION POST INDIA, West Germany — A small Christmas tree in the mess hall is the only reminder of the season for the 66 soldiers at this U.S. Army outpost on the front line of what is left of the Cold War. Outside, the clouds hang low and a steady drizzle falls on an observation tower, blue metal barracks and a tank shed perched high on a wooded bluff. The jagged black line that cuts across the valley below is "the fence," covered with electronic sensors and built by East Germany to keep East Germans on their side of the border. Somewhere not far beyond the fence are Soviet and East German tanks. If they ever invaded, it would likely be right here — in the so-called Fulda Gap; the terrain is relatively open, and nowhere else does the Warsaw Pact jut so far west. Here the men of Lima Troop, 3d Squadron, 11th Armored Cavalry Regiment watch the border around the clock, and Christmas was pretty much like any other working day. The dreary surroundings, isolation and monotonous work take a toll on morale. There are gripes about the lack of housing and transportation. Everybody here would rather be home for the holidays in the United States, or at least back at the squadron's headquarters barracks, 24 miles (38 kilometers) away in the pleasant town of Bad Hersfeld. But as the soldiers say over and over, with more than a touch of pride, "Somebody's got to do it." They feel privileged to stand guard in the face of an enemy. They enjoy the excitement of driving 60-ton tanks. They feel a sense of accomplishment when they radio back a report each time they see a Soviet helicopter patrolling on the other side. Their friends back home, they say slightly, are "still working at McDonald's" or "still hanging out at the bowling alley." In addition, there seems to be less risk this Christmas season than ever before that the tanks on the other side will come their way. President Mikhail S. Gorbachev of the Soviet Union has announced that he will remove six armored divisions from the Warsaw Pact's front lines in Eastern Europe; and See SOLDIERS, Page 2

Kiosk

2 French Girls Reported Free

BEIRUT (UPI) — A Palestinian extremist group was said Monday to have freed two French girls, their mother and five Belgians held hostage, but family lawyers said the girls' whereabouts were unclear. Hours after the father of Marie-Laure Beville, 7, and Virginie Beville, 6, left Lebanon Monday, the Palestinians holding the girls reportedly said they had been released and were en route to Paris.



Thomas R. Pickering, ambassador to Israel, said the United States "would welcome" a wider Middle East peace initiative. Page 5.

General News

Despite predictions of tension, relations between George Bush and Congress appear to be calm. Page 3. As the Polish economy staggers, a government accord with the Solidarity trade union becomes more likely. Page 3.

Business/Finance

Japanese curbs on car exports to the United States may be lifted soon. Page 7.

In Rwanda's Mists, Tourism Brings Danger — and Hope — to Gorillas

By Jane Perlez
New York Times Service
KINIGI, Rwanda — On a steep incline 9,000 feet up in the Virunga Mountains, four tourists cling with hands and feet to a dense bed of nettles, vines and ferns, slowly nudging their bodies toward more than a score of gorillas just a few yards away. So far, the scientists say they don't know if disease has affected the other 150 gorillas still in their wild state. Next year, they will take a census to find out. The popularity of the gorillas was unwittingly started by the conservationist Dian Fossey, who is the other hero of the film "Gorillas in the Mist," which memorialized and glamorized the rare primates. Officials of the African Wildlife Foundation, who for the last decade have encouraged controlled tourism as a way of preserving the gorillas, say the success of the movie brings new pressure on the impoverished Rwandan government to reap as much of a bonanza as possible out of their famous inhabitants. Thus, the fine line between tourism being used as a way of saving the gorillas but also of potentially harming them is coming under increasing strain. "Deep down inside, I would prefer to leave them alone and not have tourists," said Craig R. Sholley, the director of the Mountain Gorilla Project, which together with the Rwandan government, oversees tourism here. "But conservation today is a world of compromise so we're making compromises that will insure the survival of the gorillas into the 21st century." This means, he said, tourists, but not too many, and enforcing what is known as "gorilla etiquette." Under these rules, humans — despite the arm-in-arm movie shots of Sigourney Weaver with gorillas — are forbidden to get closer than 15 feet. This is a way of preventing airborne disease, Mr. Sholley said. A maximum of six tourists at any one time are allowed to view one of the four gorilla families visited by humans. They are allowed to stay with the primates only one hour. On balance, Mr. Sholley, whose project is funded in part by the African Wildlife Foundation, has little doubt that tourism, in check, is to the advantage of the gorillas. Without the revenue that the tourists bring to this overpopulated country in the heart of Africa, the mountain forest that is the gorillas' habitat would almost certainly be denuded by the never-ceasing quest for agricultural land, he said. Tourism has now become Rwanda's second-largest foreign-exchange earner, after coffee and tea. Another protection the tourists provide is a deterrent against poachers. With up to 24 visitors, divided into four groups — each group advanced by a Rwandan guide and a guard — trudging through the forest each day, poachers are fearful of being discovered. This year, however, one gorilla died after being caught in a poacher's snare. Largely due to the understanding of the Rwandan president, Major General Juvenal Habyarimana, an enthusiast of gorilla conservation, proposals to lift the limit on the number of visitors who each pay \$180, have been thwarted. Perhaps the most effective safety valve on damaging tourist pressure may be the nature of the rough-and-tumble expeditions often necessary to reach the animals.

Namibia's Whites Look Ahead

They Appear Calm at Prospect of Black-Majority Rule

By John D. Battersby
New York Times Service

SWAKOPMUND, South-West Africa—The white inhabitants of South-West Africa who are spending the holidays in this coastal resort display little of the fear and panic that the prospect of black-majority rule evoked in them a decade ago.

"We will have to live with it and make the best of it," Andries Amze, the chief official of Swakopmund's town council, said, who added about the likelihood of black nationalists winning independence elections set for next year.

Although his views did not reflect those of the territory's more recalcitrant whites, they underscored changing white attitudes after 10 years of internal changes in race relations and a campaign by South Africa to prepare this territory, which is widely known as Namibia, for independence and a sharing of power among races.

"People have been living with the talk of independence for so long that it has become a part of the way of life," Peter Kittler, a Namibian of German origin who owns a beachfront store here, said.

Blacks and whites mingled freely

on the main beach on the chilly waters of the Atlantic Ocean. A huge waterside discharged white, black and brown children in a torrent of water.

The prospect of a black-majority government in Namibia came a step closer with the signing of a peace accord in New York last week after six months of U.S.-sponsored negotiations among representatives of Cuba, Angola and South Africa.

Whites are a small minority in Namibia—by one reckoning, only 76,000 of 1.2 million people, the great majority of whom are black.

South Africa gained control of the territory from Germany in 1915 and has ruled it since, for the last 22 years in disregard of United Nations resolutions.

Now, the drain on the South African economy, the political costs of the war against black guerrillas based in Angola, and the buildup of Soviet-backed Cuban forces in Angola appear to have coaxed Pretoria to significant concessions at the negotiating table.

Its rich mineral deposits, thriving fishing industry and prosperous farms have intensified the international dispute over its status.

After a decade of waiting, the white residents of Namibia face the prospect of independence with a mixture of impatience, resignation and uncertainty.

Pretoria stalled at putting the plan into practice and was later backed by the United States in its insistence that the plan could not go ahead until a large Cuban force withdrew from Angola.

According to the timetable for independence, a UN peacekeeping force will oversee a seven-month transition beginning April 1, leading to elections for a constituent assembly by November.

Mr. Kittler, the owner of the beachfront store, is skeptical that the agreed-upon timetable for independence will be met.

"If the independence plan is put into effect and things get bad, then people will leave," he said. "But it won't be like 1978 when many whites left in anticipation of the event."

The whites' position of privilege and prosperity has barely been affected by the changes so far.

Whites still control the wealth and enjoy a lifestyle matched in few places. Fine hotels serve excellent German cuisine to a mainly white clientele.

The relaxed racial atmosphere in this quaint town, a place of German colonial buildings, reflects the progress made toward scrapping statutory racial discrimination.

Apartheid laws such as enforced residential segregation have been abolished, and the interim administration is made up of a majority of blacks.

"We have done a lot of work preparing people for a black government," Dirk Mudge, an Afrikaner who heads the black-majority transitional administration, said.

"If independence had been put into effect 10 years ago it would have been a disaster," he said. "People are more used to the idea now and I think it will go more smoothly this time."



In San Salvador, a soldier inspecting damage after an attack on the armed forces headquarters.

REBELS: In Central America, No Winners or Losers

(Continued from page 1)

Nicaraguans, mostly civilians, have died.

During Mr. Reagan's first six months in the White House, the Sandinista government, among other measures, assumed the offices of Managua's independent human rights commission and received its first shipment of heavy Soviet weapons, some 200 tanks. The Sandinistas seemed certain that they would build a socialist fortress in Central America.

Today, the Sandinistas are far more subdued as they struggle to revive a moribund economy and impoverished population while covering greater Latin and European support. They have publicly announced postponement of the more radical stages of their socialist program indefinitely.

During the past eight years, both the Reagan administration, and the leftist forces in Nicaragua and El Salvador it sought to crush, have discovered their limits.

The Reagan administration learned that its conviction, rhetoric and backing for proxy military forces were not enough to "roll back" the Sandinistas or dismember the Farabundo Martí National Liberation Front, the Salvadoran guerrilla alliance.

The Sandinistas and the Salvadoran guerrillas learned that tolerance for Marxist-inspired governments remains low in a region still very much under the influence of the United States.

Ironically, the Salvadoran guerrillas have survived while the once much larger contra force seems doomed to fade away for lack of assistance.

Ruben Zamora is a left-leaning Salvadoran politician who fled his country in 1979 to ally with the Sandinistas, then returned this year to participate peacefully in upcoming elections. Mr. Zamora said he draws two main conclusions from the Reagan years.

"First, despite all the aggressiveness the United States can show in a tiny region like this, it is possible to resist. Reagan can't get rid of us completely. Second, even if we manage to hang on, the U.S. administration has an almost unlimited capacity to ruin any plan to develop we might have. So we have seen very clearly what Reagan's limits are and what our own limits are."

Looking back, many Central Americans describe the early Reagan years as a time of great illusions, when ideological visions were confused with reality. Both conservatives and revolutionaries pressed for confrontation, believing they could win.

Salvadorans and Nicaraguans say they remain far from achieving national consensus. But many political enemies now share a realism about what they will not be able to accomplish.

Two myths were shattered along the way. First, in 1981, after the Sandinistas had recently toppled the unpopular Somoza dynasty and the Salvadoran rebels were battling military forces tied to murderous rightist death squads, revolutionary movements were widely seen in Latin America as the most committed champions of liberty.

Today, while they still have supporters, it is hard to find anyone in Central America who describes the FMLN or the Sandinistas as heroes. "The romance of revolution is totally gone," remarked Joseph Elbridge, a representative of the human rights group Americas Watch.

Second, the myth of invincible Yankee might, fostered, American power, albeit applied indirectly, failed to provide conclusive victories against leftist forces in two tiny countries, El Salvador and Nicaragua, that together have only 8 million people.

"I'm absolutely and terribly disappointed," said Eguo Barrera, a rightist Salvadoran politician. "Our expectations of Reagan were completely deflated."

Apartheid's Deportees Build a Town and Pride

By Christopher S. Wren
New York Times Service

ELSIES RIVER, South Africa—As the working-class families packed the Anglican Church of St. Nicholas for the first Mass of Christmas morning, the Reverend Demaraj Laban learned that a woman in the congregation had lost her husband and their home in a recent fire.

Mr. Laban interrupted the service to tell his parishioners of the woman's personal tragedy, and he challenged them to prove their compassion. "So we took up a collection and the response was magnificent," he said.

Elsies River, a tough mixed-race township on the sand flats west of Cape Town, is not the sort of place one thinks of as a soft touch.

It was peopled by the survivors of the relocation, whose homes were razed when the government declared their neighborhoods "whites only" in the 1960s.

From settled communities designated as colored in the South African lexicon of race, the deportees were dumped at Elsie River with what belongings they could salvage.

"It was a broken community," Mr. Laban told a visitor, "but it was a very vibrant community and a community committed to justice. Somewhere in all this, there is good."

From the early shacks and tents, Elsie River has matured into suburban neighborhoods with tidy bungalows, the homes of working people who underpin the Cape Town economy.

It has its hard edge, including one of the highest crime rates in South Africa. But lovingly tended flower gardens and verdant lawns, however modest, attest to a restoration of pride.

"Here you get the broken people, the people who lost everything, and yet they were able to salvage from that wreck what you see here today," Mr. Laban said. "So one feels proud to come from Elsie River."

St. Nicholas Church has grown with the community to include 2,200 families in its congregation.

JAPAN: Lost Pride of 'the One Great Middle Class'

(Continued from page 1)

economic published in August and a five-year economic plan issued in May.

The Economic Planning Agency reported in the white paper that about three-quarters of the people polled felt that disparities caused by land prices were unfair. More than half of those polled felt that gaps in income and ownership of substantial assets and consumer durables had widened over the past decade.

These disparities are glaring to those who grew up in a society where until recently no one flaunted wealth and few had real wealth to flaunt.

Japanese are sounding the alarm early, before the sense of unfairness swells and undermines dedication to hard work and sacrifice.

"The government is worried because the stability of society and political culture in Japan was considered to rest on this sense of an expanded middle class," said Kuniko Inoguchi, a professor of international relations at Sophia University who has written on Japanese living standards.

"By making people believe you are a middle class person despite the low standard of living, the government could make people strive for progress. If people give up on the prospect of progress and improvement, that could create social alienation like that the United States has seen."

Such a possibility seems remote, because Japan's income distribution remains one of the most equitable in the world. Yet differences are emerging, particularly in the assets people have.

The Fumabashi couple bought their apartment 11 years ago for \$66,000. It is now worth as much, but land prices around them have become so expensive that they could only afford to buy a slightly larger apartment (\$40 square feet, with another bedroom) for \$250,000, which is not expensive by Tokyo standards. They are still waiting to move into the larger place.

The family's income is 7 million yen, or about \$70,000, only slightly above the national average. Indeed, the family is like the majority of Japanese—financially comfortable, but far from enjoying the affluence or amenities they see depicted on television commercials.

Setting aside any extra money for a rainy day to help their two children prepare for college examinations, the Fumabashi couple is left out of the shopping spree that saw Japan's real consumption rise 4 percent last year.

Indeed, the wife plans to cut expenses—reducing the amount spent on obligations like winter gifts, funeral presents and even her husband's entertainment allowance. She has not bought anything for the apartment in a long time. "There is no space," she said.

Such yen-pinchiness is a far cry from the boom in luxury goods, foreign travel and leisure activities that some other Japanese are enjoying.

According to Dentsu, Japan's leading advertising agency, Japanese are snapping up European furniture and special toilets with built-in bidets.

Many of the purchasers have been prosperous land and stock holders—the planning agency estimated that spending by company owners rose by 4 percent last year, compared to a 0.7 percent rise in consumption in laborers' households.

But other consumers are those who have given up on buying a home and spend on luxury items instead. Dentsu said more Japanese are buying weekend resort condominiums, where they can retreat for a break.

Japanese are also paying more attention to another gap—the relative one between national and personal wealth.

"There are gaps between our ability to earn income and to enjoy the outcome of our diligence," said Takao Akabane, deputy minister of the economic agency. "In dollar

Takeshita Cabinet Is Likely to Shift

TOKYO—Prime Minister Noboru Takeshita will shuffle his cabinet Tuesday after the closing of the current session of the Diet, or parliament, an official with the prime minister's residence said Monday.

Mr. Takeshita is expected to appoint new justice and education ministers, while retaining Foreign Minister Sosuke Uno. He appointed Tatsuo Murayama as finance minister over the weekend, following the resignation of Kiichi Miyazawa over a stock-trading scandal.

It is customary for Japanese prime ministers to shuffle their cabinets after a year in office, especially after passage of a major bill such as the tax bill recently passed. Mr. Takeshita will convene a regular 150-day session of the Diet on Friday to pass the government's budget.

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TRADE: Showdown Is Looming

(Continued from page 1)

States is using the hormones issue to create a psychological atmosphere for the debate about agricultural subsidies in general," Mr. Wegter added. "But for us, this is purely a public health and consumer matter."

Mr. Kingdon denied the accusation that the United States is being unnecessarily tough.

"We are not suggesting a nation doesn't have the right to protect its citizens against unhealthy imports," Mr. Kingdon said. "What we are saying is that our imports are not unhealthy, that your ban is excessive. It is going too far."

"We are saying, 'Let's go to a court of adjudication. If we are wrong, we are wrong. If we are right, you have to do something about it.'"

Mr. Wegter said the commission accepted that scientists disagree about the possible harmful side effects of certain hormones, but he added, "No scientist claims that it is actually good for your health to eat hormones."

He said the EC imported 400,000 tons of meat a year and had problems only with the United States and, to a far lesser extent, Canada.

Mr. Kingdon called the EC ban a well-intentioned attempt to exclude harmful additives from food. But he said it ignored the difference between artificial hormones and natural ones, which are produced either by the animals themselves or by biotechnological methods.

Indiamail

Indiamail, with its colour magazine Hoera, has the national weekly Indiamail in Britain is scheduled to be launched only next year.

Indiamail and Hoera will also carry extensive news and features about India in Europe.

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SOLDIERS: For U.S. Soldiers on the German Border, Holidays as Usual

(Continued from page 1)

trium the Red Army by 500,000 troops in the next two years.

"It makes you feel more secure about being here," Private First Class Charles Greviss, a 20-year-old tank driver, said. "It makes you feel safer."

Because of Mr. Gorbachev, several soldiers said their parents do not telephone quite so often with anxious questions.

"I think it makes my mother feel better than it does me," said Sergeant Kenneth Bacon, 23, a tank gunner. It was his first Christmas away from his wife and two daughters, but he was not complaining. "I'm kind of a patriotic pessimist," he said. "That's a lot of the reason why I joined the army. If we weren't here, maybe there wouldn't be any Christmas."

These soldiers have two overall missions: watching the border, and taking out their M1 Abrams tanks and Bradley Cavalry Fighting Vehicles to practice maneuvering, scouting and shooting.

The soldiers normally live in the Bad Hersfeld barracks, but they spend about 50 days a year at border outposts such as this one. They come for several weeks at a time to patrol the frontier on foot and in jeeps. Their main job on such outings is to watch for any indications that the other side is building up its forces for a possible attack.

Nobody here could remember ever seeing any such indications. Instead, they report mostly on East German efforts to make the border "leakproof," such as by installing new sensors or putting up additional fences.

The Americans gather information on the frequency of East German patrols, appearances of Warsaw Pact Hind-D and Hoplite helicopters, and of East German military vehicles.

The U.S. troops are not supposed to speak with or otherwise acknowledge the presence of the East German border soldiers they see. But it was clear that there is a bit more contact than regulations technically allow. Several soldiers reported exchanging obscene gestures, and, in one case, a cautious smile, with their counterparts on the other side.

"They do the same thing we do—which is looking," said Sergeant First Class John Kregel, 41, the outpost's noncommissioned officer-in-charge.

U.S. officers and enlisted men said they felt sorry for their comrades-in-arms who never get a chance to see the heavily fortified frontier. "Until I saw the border, I never knew you could do something like that to another person—keep them penned in," Private John Hubbard Jr., 20, said. "It made me feel like I joined the army for a purpose, not just to cook."

Added Second Lieutenant Christopher Kolenda, 23, the outpost's officer in charge: "You get a real awaking when you see that guy on the other side, and he's got that rifle, and it's loaded."

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WORLD BRIEFS

Kremlin Official Warns Soviet Press

MOSCOW (AP)—The Kremlin ideology chief, in a speech published Monday, criticized some state publications for sensationalism and careless treatment of facts under the policy of greater openness espoused by President Mikhail S. Gorbachev.

Vadim A. Medvedev, who was named to the Communist Party Politburo in September, indicated that there would be no lessening of control over the mass media. But he also criticized party and government traditionalists, who he said were standing in the way of changes sought by Mr. Gorbachev.

"People are concerned about hysteria, sensationalism, the destructive direction of some statements, the inciting of passions, lack of regard for the facts, a deficit of professionalism," and other tendencies in the Soviet press, Pravda quoted Mr. Medvedev as saying. "The mass media must obey general laws," he said.

Arab League Backs Libya Over Plant

TUNIS (Reuters)—The Arab League council expressed solidarity with Libya on Monday and said that any U.S. attack on an alleged chemical weapons plant there would seriously harm Arab-American relations.

At the end of a one-day meeting called by Libya after President Ronald Reagan hinted an attack might be under discussion, the council of permanent representatives said: "The council affirms its total solidarity with Libya and warns against any temptation to unleash an aggression against this state, which would risk having the most serious repercussions on the region and on Arab-American relations."

Libya has denied having any chemical weapons and said the factory at Rabta would produce medicine when it opens in two or three months. Mr. Reagan said last week that Washington was consulting with its allies on how to stop Libya from producing poison gas at the plant. He did not rule out a pre-emptive attack.

19 Die in Riots After Indian's Murder

NEW DELHI (Reuters)—Troops were sent to the south Indian city of Vijayawada on Monday after 19 people died in riots following the murder of a local politician, the Press Trust of India said.

It said paramilitary police reinforcements were already patrolling the streets of the city in Andhra Pradesh state to restore order and enforce a 24-hour curfew.

At least six of the victims died when police opened fire on crowds rioting after a state assemblyman, Mohan Ranga Rao, the agency said. Mr. Rao, a member of the Congress (I) Party, was attacked in a camp near his home where he had been fasting for four days to protest alleged police harassment. Others were killed when rioting spread.

Exiles Urge Castro to Hold Plebiscite

MADRID (Reuters)—More than 100 intellectuals and entertainers urged President Fidel Castro on Monday to follow the example of Chile and let Cubans decide in a plebiscite whether he should stay in power.

They signed an open letter to Mr. Castro, drafted by Cuban exiles. The letter made available to news organizations in several countries. It Tuesday as an advertisement in newspapers in several countries. It said Mr. Castro should call elections if Cubans voted no in an internationally supervised ballot. He will mark his 30th year in power Jan. 1.

The signatories, including Federico Fellini, the Italian film director; Saul Bellow, the American writer; Yves Montand, the French entertainer; and Jack Nicholson, the American actor, also said political prisoners should be freed and exiles allowed to return home.

TRAVEL UPDATE

The Soviet Union has asked South Korean companies to help build hotels to boost tourism, a Seoul construction official said Monday. Officials at the Overseas Construction Association of Korea said they were told the Russians planned to double the number of hotel rooms in major cities to 11,000.

Air France said Monday it had canceled three flights to London and one to Geneva scheduled for Tuesday as a 71-day strike by mechanics dragged on with little sign of a settlement. (APF)

CRASH: Suitcase Is Flown to

(Continued from page 1)

a failure had been found, though that was still being investigated as a possible cause.

The aircraft, the 15th 747 built by the Boeing Co., was delivered to Pan Am in February 1970.

Mr. Charles's statement said: "Although, because of the fragmented and scattered nature of the wreckage, the investigation of the structural aspect of the accident is a slow process, no evidence of a structural failure has so far been found. However, the possibility of such a failure is still being actively investigated."

Officials at the U.S. Embassy, which is also involved in the crash investigation, said they could add nothing to Mr. Charles's statement.

The plane, Pan Am's Flight 103, disintegrated in the air while less than an hour out of Heathrow Airport en route to New York City. Some passengers and luggage originated in Frankfurt with the first leg of the flight on a smaller 727 aircraft, which left off about half its passengers in London.

On Friday, callers who said they represented a group called the Guardians of the Islamic Revolution, thought to be linked to Hezbollah, a Lebanese faction controlled by Iranian extremists, told news agencies in London that they were responsible for bringing down the plane. The authorities treated the claim with skepticism.

Speculation that a bomb might have blown up the plane was increased by the fact that on Dec. 5, a caller had warned State Department officials that there would be a bombing attempt against a Pan Am aircraft flying from Frankfurt to the United States.

The British police were made aware of the warning but decided their already tight security procedures at Heathrow Airport were sufficient, they said last week. But the authority that runs the airport said it was not informed of any threat to a Pan Am airplane.

Speculation about who would want to put a bomb aboard a plane has ranged from extremists who oppose the Liberation Organization to the opening of a dialogue with United States to pro-Libya fundamentalists and to the accidental shooting down of a Pan Am Iranian airliner with 257 aboard by a U.S. Navy jet.

Superintendent Angus K. ap-pa police spokesman for the operation, said that 240 bodies of crash victims had been found, that 11 local residents—six adults and three children—were listed as missing and presumed dead. The search for the 29 bodies still missing will continue Tuesday, he said.

"At the moment, only a small number of them are fully identified," he said. "As soon as a body is positively identified and a post mortem carried out, we can register the death and then place the body in a chapel of rest and make an undertaker available for any relative who wishes to come here to view the remains."

U.S. Jet Lands Safely With Hole in Fuselage

CHARLESTON, West Virginia—An Eastern Airlines jet carrying 110 people made an emergency landing at an airport near here Monday after developing an 18-inch hole in the fuselage and losing cabin pressure at 31,000 feet, police said. No one was injured.

A spokesman of the Federal Aviation Administration in Atlanta said there was no immediate indication of the cause of the crack. The Boeing 727 en route to Atlanta from Rochester, New York, and carrying 104 passengers and six crew members, experienced "rapid decompression," officials said. The hole was about 18 inches (about 45 centimeters) long and six to eight inches wide on the left side of the aircraft near the tail.

Western Papers Go on Sale Sunday in Soviet Kiosks

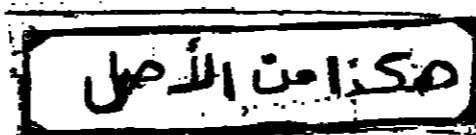
MOSCOW—Special kiosks in large Soviet cities will sell a few hundred copies a day of Western newspapers and magazines beginning Sunday, Tass said Monday.

The news agency said the publications would include the International Herald Tribune, the U.S. newspapers Time and Newsweek, and The Guardian, The Times and the Financial Times of London.

Initially, Tass said, 400 copies each of the International Herald Tribune and the Financial Times and 350 copies of The Guardian will be sold daily. It did not say where besides Moscow they will be sold.

"The fact that the new arrivals, which certainly cannot be called 'pro-Soviet,' will be sold here at all says a lot about increased openness in the Soviet Union," the official press agency said.

Distribution of such publications has long been prohibited in the Soviet Union on ideological grounds. Since the Moscow summit meeting between President Ronald Reagan and Mikhail S. Gorbachev, the Soviet leader, a few copies of the publications have been available at the Soviet Foreign Ministry's press center. But access to the press center generally is limited to accredited correspondents.



Church Sees Threat To Brazil's Indians

By Marlise Simons
New York Times Service

RIO DE JANEIRO — The Roman Catholic Church in Brazil has accused the government of President José Sarney of adopting policies that could lead to the extermination of the Yanomami, one of the country's largest Indian tribes.

The Conference of Brazilian Bishops charged that the government had allowed as many as 100,000 gold prospectors into the homeland of the Yanomami. About 9,000 members of the tribe live in the northwestern state of Roraima bordering Venezuela.

As a result, it said, more and more Yanomami were becoming victims of both violence and disease brought into the region by the prospectors. "The Yanomami are being massacred as if they were not human beings," the bishops' statement said.

The church also said the government had recently reduced the tribe's lands by 70 percent in violation of the new constitution, which recognizes the "original rights" of Brazil's 230,000 or so surviving Indians "over the lands they traditionally occupy."

"The Yanomami are in extreme danger of extermination," the bishops' statement said. "Economic, political and military interests, backed by a state that should be defending the Indians, are taking precedence over the rights of the Yanomami, whose only aspiration is to live in dignity."

Ovidio Martins de Araujo, legal counsel for the National Indian Foundation, said the government was also alarmed by the invasion of prospectors in the Yanomami region and was planning to evict them. But he rejected the charge that the government had violated "the constitution in defining tribal lands."

Although the Indians in Brazil have been fighting a losing battle for survival since Portuguese colonizers arrived in 1500, the Yanomami have long been regarded as an unusual case because contact with them was not established until 1950 and, in contrast to many other tribes, they still retain most of their traditional customs.

Over the last 15 years, the outside world has increasingly encroached on them. After work began in 1973 on a highway between Manaus and Boa Vista that cut through the southeastern edge of their lands, many Yanomami fell ill with malaria, tuberculosis, influenza and venereal diseases brought in by construction workers.

When the government identified gold, uranium and cassiterite reserves in the Yanomami region in 1975, freelance prospectors then began moving deep into the tribal lands, not only clashing frequently with the Indians but also polluting their rivers and lakes.

In the 1980s and particularly since civilian rule returned to Brazil in 1985, tensions in the Yanomami region have been growing steadily. The Catholic Church has stood almost alone in defending the Indians against the armed forces, local government authorities, mining companies and prospectors' organizations.

One explanation provided by the National Security Council for its decision in 1985 to establish military bases along Brazil's northern frontier was the belief that pro-Indian groups were trying to promote creation of a Yanomami republic covering parts of both Brazil and Venezuela, where some 10,000 Yanomami live.

At the same time, the National Indian Foundation, known in Brazil as Funai, has taken the position that social and cultural integration into Western society is in the interest of the country's Indians.

"We can't have the Indians eternally as museum pieces," Mr. de Araujo said. "Our policy is to integrate them so they can have a more human and dignified life."

The church's argument, however, is that the Yanomami are defenseless against the chaotic scramble to exploit the resources within their traditional lands, particularly since this is tolerated and even encouraged by different organs of the government.



A Brazilian politician paid tribute to Francisco Mendes Filho as mourners gathered around his coffin.

2,000 at Funeral of Brazil Activist

Washington Post Service

RIO DE JANEIRO — About 2,000 people gathered Monday for the funeral of Francisco Mendes Filho, a Brazilian rural labor leader and defender of the Amazon rain forests who was killed last week.

Environmentalists, politicians and celebrities from all over Brazil journeyed to the ceremony in Xapuri, an Amazon village where Mr. Mendes lived in the northwestern state of Acre.

Police, environmentalists and leaders of the Union of Rural Workers of Xapuri, of which Mr. Mendes was president, have blamed the slaying on two area land barons, both members of an association of landowners opposed to agrarian reform.

As Polish Economy Staggers, Solidarity Accord Is Likelier

By Jackson Diehl
Washington Post Service

WARSAW — After months of resisting a political settlement with the banned Solidarity labor movement, the Polish leadership is being forced toward concessions as the country teeters on the brink of economic crisis.

The Polish leader, General Wojciech Jaruzelski, suspended the last Central Committee session of the year last week without yielding on the issue of Solidarity's legalization — the main demand of the year's two strike waves and the key to a broad "anti-crisis pact" between government and opposition.

Nevertheless, opposition leaders and Western diplomats say there is a growing chance that the government will be forced to come to terms with Solidarity in the coming year. As inflation has surpassed 60 percent and living conditions have steadily worsened, they say, the popularity of the independent union movement has sharply risen.

Now, despite a move to put into effect new economic plans, the government is facing growing consumer shortages and has all but resigned itself to a new downturn that could bring Poland back to the bare shelves and long lines of 1980-1981. As a result, even the most optimistic party strategists expect another surge of unrest among workers, one that may be far harder to control than those in May and August of this year.

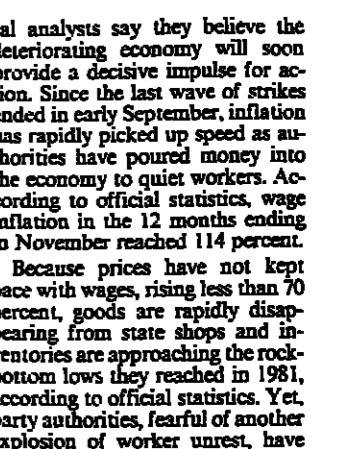
"Society's patience is running out," the deputy prime minister, Ireneusz Sekula, told the parliament last week.

Party members say both the expected conflicts and any move toward agreement with Solidarity may pose a special threat to General Jaruzelski, who ordered the suppression of the union under martial law in December 1981. The combination of the economic disorder and Solidarity's mounting strength has left the general open to the charge that he is returning the country to the situation he inherited when he took power in the fall of 1981.

"Jaruzelski has to be very careful," said one veteran party official. "Feelings within the party now are very bad, and a lot of it is being directed against him."

In the last three months, he already has been overshadowed as a national leader by Mieczyslaw Rakowski, the veteran politician who took over as prime minister in September and quickly launched an aggressive image-building campaign that included economic reforms.

The prime minister at first was openly disdainful of talks with Solidarity, and his program appeared



Lech Walesa

intended to substitute for a pact with the opposition. Yet, hopes within the party for the success of such a strategy collapsed after Lech Walesa, the Solidarity leader charmed a national television audience during a debate with the chief of the official unions, Alfred Miodowicz, last month.

After the broadcast, Mr. Walesa's personal popularity soared. Moreover, according to unpublished government polls, the percentage of Poles favoring the legalization of Solidarity rose from 52 percent to more than 70 percent, party sources said.

Authorities have responded to Mr. Walesa's surge with a campaign in the official press praising him as a moderate and responsible leader, in contrast to unnamed "extremists" elsewhere in the opposition. But since the praise has not been accompanied by any change in the official position on legalizing Solidarity, union campaigners have concluded that the government is simply seeking to co-opt Mr. Walesa.

The principal obstacle to the union's reactivation now appears to lie in the ranks of the ruling party, especially in the apparatus of the police, the military and the existing Communist-run trade unions. At the plenum last week, as at an earlier meeting in September, several rank-and-file Central Committee members harshly attacked Solidarity and rejected any move to legalize it.

Remarkably, however, Mr. Rakowski responded with a speech defending Mr. Walesa and suggesting that "many people are in favor of what the government is doing and at the same time want the restoration of Solidarity."

Although the struggle within the party is far from over, many politi-

cal analysts say they believe the deteriorating economy will soon provide a decisive impulse for action. Since the last wave of strikes ended in early September, inflation has rapidly picked up speed as authorities have poured money into the economy to quiet workers. According to official statistics, wage inflation in the 12 months ending in November reached 114 percent.

Because prices have not kept pace with wages, rising less than 70 percent, goods are rapidly disappearing from state shops and inventories are approaching the rock-bottom lows they reached in 1981, according to official statistics. Yet, party authorities, fearful of another explosion of worker unrest, have vetoed the big price increases that would be necessary to stabilize the situation.

The government economic plan presented to parliament last week suggests an unorthodox and highly risky approach. It calls for raising basic food prices about 15 percent next year while trying to keep workers' wage increases and other price rises under 20 percent. The cost of this strategy will be a massive increase in subsidies that will quadruple the government's budget deficit to more than 1 trillion zlotys, or about \$2.1 billion.

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Past Posturing Aside, Bush-Congress Relations Seem Calm

By Robin Toner
New York Times Service

WASHINGTON — This is a season of passive aggression, political-style, among congressional Democrats.

Just seven weeks after the close of an extraordinarily bitter presidential campaign, many Democratic lawmakers speak with elaborate courtesies of President-elect George Bush.

They say they look forward to a government of conciliation. They say he understands them, remembers their names. They voice the respect of one group of professionals for another.

"You can say it was a nasty campaign," said Tony Coelho, the Democratic California congressman who is the House majority whip. "You can say anything you want, but basically it was a professional campaign. They knew what had to be done and they did it."

But beneath the conciliatory facade is a stony resolve, centered on the federal budget, the playing field for the politics of 1989. Many Democratic leaders, after listening to President Ronald Reagan call them tax-and-spend addicts and after Mr. Bush's "Read my lips" assurance of no new taxes, are determined to see the president-elect take the first step toward increasing revenue.

New taxes may be critical to easing the deficit, they say, but the issue demands presidential leadership. And so, the Democrats smile and wait.

Representative Beryl Anthony Jr., chairman of the Democratic Congressional Campaign Committee, went home to Arkansas before Christmas. When his constituents asked him about the possibility of new taxes, the Democratic leader said he would write for them only when his president asked him to; in writing, in a letter that he could share with the folks back home.

Democratic leaders have been dancing a gracious, deferential minuet.

"I personally think it would be extraordinarily difficult to get to the Gramm-Rudman targets without a combination of spending restraints and new revenues," said Representative Thomas S. Foley, the House majority leader. He was referring to the federal law, sponsored by Senators Phil

Gramm and Warren R. Rudman, that requires a decline in the annual budget deficit, now about \$155 billion, to \$100 billion in fiscal year 1990.

"But I certainly don't want to preempt the president-elect's judgment about what he wants to propose," said Senator John B.reaux of Louisiana, the new chairman of the Democratic Senatorial Campaign Committee.

And Mr. Bush, unlike Mr. Dukakis or Mr. Reagan, is a child of Washington.

"He worked out at the House gym," Mr. Coelho said. "He knows who you are. He knows what you've done."

His planned appointees — for example, Richard G. Darman as budget director and James A. Baker 3d as secretary of state — are also comfortable fixtures of the Washington scene.

Norman Ornstein, an analyst at the American Enterprise Institute, a research organization, asserted that much of this warmth can simply be read as recognition that the public is favorably disposed toward Mr. Bush at the moment.

"I'd say 80 percent of it is tactical," Mr. Ornstein said. He also maintained that lawmakers tended

determined, loyal opposition whose duty is to oppose.

There is probably more than statesmanship at work. Mr. Bush ran an exceptionally hard campaign, but it was essentially directed against Michael S. Dukakis, his opponent, and not against Congress, some Democrats note.

"The guy's a very professional public official who did not run his election against Congress the way Reagan did," said Senator John Breaux of Louisiana, the new chairman of the Democratic Senatorial Campaign Committee.

And Mr. Bush, unlike Mr. Dukakis or Mr. Reagan, is a child of Washington.

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CHINA: Racism Flares

By Clyde Haberman
New York Times Service

ROME — In this season, when much of the world is sharing Armenia's agony, Italians have been distracted by the reverberations from an earthquake of their own.

There is a scintillating, poked with allegations of mismanagement, incompetence and greed, and laced with a liberal dose of political ill will. Some people say they are outraged. Many more seem amused or simply resigned.

No matter how they may personally react, Italians in general have recently withstood a bombardment of diatribes about earthquake-related corruption.

The earthquake at issue occurred in November 1980, rocking mountain hamlets in a region southeast of Naples called Irpinia. Although the quake was no match for the one that has devastated Armenia, it was bad enough. More than 2,700 people died, and dozens of villages were devastated.

Irpinia desperately needed government help, and since 1980, it has received it by the barrelful. Money has poured in for reconstruction and long-delayed economic development.

The problem is that accounting procedures have been slipshod, and no one is able to say exactly how much was spent. Publicly quoted figures have gone up and down like rockets, ranging from \$7 billion to \$32 billion. The latest government estimate is \$33 billion, give or take a couple of billion.

Worse yet, no one knows where all the money went. If even a fraction of the allegations are accurate, earthquake victims were minor shareholders in this public largesse. Thousands of others apparently prospered, including contractors, engineers, local politicians, their friends and even members of the Camorra, the Neapolitan Mafia.

In imitation of the U.S. habit of naming scandals by tacking on the suffix "gate," the Italian press and the political opposition began to talk about "Irpinigate."

Many of their charges took dead aim at Prime Minister Ciriaco De Mita, who has been running the government for only the last eight months but who seemed a reasonable target nonetheless to many Italians because (1) he is there, and (2) he and his family come from the disaster area and own a tiny part of a local bank, the Banco Popolare dell'Irpinia.

Over the last eight years, Banco Popolare's deposits have grown 15 times in value. No one has demonstrated that this was the result of untoward behavior rather than a sudden influx of public funds into the depressed region. Yet, the implications were fairly obvious, and the opposition, hoping to weaken the government, pressed the notion that the prime minister had benefited from Irpinia's misery.

The uproar was enough to force the resignation of a close De Mita aide, and there are now plans for inquiries.

But the prime minister slugged back. He said he was the victim of a

Italian Quake of 1980 Reverberates With Greed and Political Cynicism

political plot, and announced to Parliament that his government did not consider itself "in the dock."

Things took an especially nasty turn after an exchange between Mr. De Mita and a Milan newspaper editor. The editor, Indro Montanelli, accused the politician of practicing bossism in "mafiosi" style. The politician responded that journalists were "bought" and forced to write articles they did not believe.

Name-calling aside, there was no denying that a good deal of public money went astray. Mr. De Mita finally acknowledged, and he proposed that in the future special commissions be created to oversee disaster relief and to make sure that funds reach their intended destinations.

And that is where matters rest. Italian political commentators hold that Mr. De Mita has been roughed up politically but not enough to threaten his government immediately.

Meanwhile, these days, Rome is conspicuously quiet. There is a general sense of well-being and an aversion to boat-rocking.

Given that attitude, few were shocked when Mr. De Mita suggested that Irpinigate, while deplorable, was also inevitable. In Italy, he said with an air of resignation, there are always "atempted crimes and profiteering jacksals" after natural disasters.

Papers Go on in Soviet Kiosks

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Herald Tribune

The Coldest Hands

In poor countries the debt crisis has a child's face. When income sinks, it is not usually defense spending that suffers but health and education. A decade ago a net \$40 billion flowed from the richer north to the south; now the flow goes the other way to the tune of at least \$20 billion.

So reports UNICEF, the United Nations Children's Fund. Its annual report, "The State of the World's Children," is among the most poignant of official documents. It tells how, to cite one example, infant mortality has risen again since 1982 in most Brazilian regions, most sharply in the impoverished northeast and north. The poignancy arises because expensive means exist for reducing dehydration, long the biggest killer, and for immunizing against common diseases.

UNICEF and its able executive director, James Grant, make the case that money devoted to nutrition, primary health care, education, safe water and sanitation could eradicate the worst aspects of world poverty in little more than a decade — at a cost of

less than half of 1 percent of the world's \$13 trillion annual output.

A good measure of the progress of the poor is the survival rate of children under 5. China, Costa Rica, South Korea and Sri Lanka, for instance, have juggled debts and limited resources so that they rank far ahead of countries with up to five times more per capita wealth, like South Africa.

Through cogent arguments and practical programs, UNICEF has opened purses in the U.S. Congress, which has voted \$60 million in funding, with more due for special projects. But this year's report has a different, more alarming thrust. UNICEF fears that the gains of a decade will be washed away by a debt crisis whose least visible victims are the children of the poor. What is involved is not just generous support of a worthy agency, but halting a debt-driven slide into poverty. The coldest hands in the cradle are those of bankers and officials bereft of heart and imagination as this crisis deepens.

—THE NEW YORK TIMES.

Crocker Stuck With It

Chester Crocker, the Reagan administration's man for Africa, hung in for eight years, never losing confidence in his audacious design, dealing with some of the most difficult actors on the international scene, absorbing repeated attacks from the liberals. As a result the United States has a striking diplomatic achievement in southern Africa — perhaps the last region where any achievement of any sort might have been expected from this administration.

If all goes well, in its narrow terms the agreement delivers independence to South Africa's longtime colony of Namibia, ushers out the Cuban forces that the Marxist-oriented MPLA government of Angola summoned to its defense 13 years ago, and points toward a political settlement within Angola. In its broad terms it establishes the United States as the arbiter of peace in a racially torn, politically important region. In its most promising potential, it promotes the sort of relaxation that is good not only for regional cooperation but for South African internal reform as well.

Skeptics to his left said Mr. Crocker's strategy — getting South Africa out of Namibia by getting Cuba out of Angola — was unjust, pigheaded and unworkable. When the administration took the questionable next step of starting to aid Angola's UNITA insurgents, that seemed to many to ensure that the Cubans would stay — and therefore that the South Africans would stay, too. But mutual expansion, and Mikhail Gorbachev's decision to lighten the Soviet load, produced

general readiness for a settlement. The indispensable Mr. Crocker, who had come up with his idea for one in a magazine article in 1980, was there to fit the pieces together.

Skeptics of the right now cry that he has sold out Angola's insurgents. But the MPLA's Cuban grant is reduced, U.S. (and not South African) aid to Josep Semel's UNITA continues and other African states are judging the two Angolan factions to coexist.

Mr. Crocker imagined "constructive engagement" as a comprehensive policy for dealing with all of southern Africa, not just as the use of persuasion and understanding rather than pressure to induce change in white-ruled South Africa alone. As black rage against apartheid rose, the uncertain way the Reagan administration applied the policy to Pretoria made it seem to many Americans like too much understanding and of the wrong kind and not enough pressure.

The result of all this was that the policy, at least by name, was discredited, and this in turn was misleading. Whatever its misadventures and shortcomings in respect to internal South African affairs, it is precisely with "constructive engagement" that Washington has encouraged South Africa to stop intimidating its black-ruled neighbors, and otherwise has made the United States more useful to the whole region's well-being.

The Bush administration is going to have to find its own tone, its own levers. It will be able to build on the splendid contribution of Chester Crocker.

—THE WASHINGTON POST.

An Environmentalist

George Bush insisted during the presidential campaign that he was an environmentalist. Skeptics saw little proof in his record. But his word may be easier to accept now that he has nominated William Reilly to head the Environmental Protection Agency.

Mr. Bush packaged the EPA job with his choice of Manuel Lujan, a New Mexico Republican, as secretary of the Interior. Representative Lujan's environmental credentials are far less strong. But together the two nominees promise more than environmentalists have been used to under Ronald Reagan.

Mr. Reilly is a lawyer who has devoted his career to protecting the environment. He is president of the World Wildlife Fund and of the Conservation Foundation, a research group respected for careful views and undogmatic reports. When efforts to clean up abandoned toxic dumps bogged down in litigation, he helped break the impasse by founding Clean Sites, a group that mediates cleanup settlements between polluters and the government.

Mr. Reilly has long been interested in pollution problems abroad, and is well prepared to address issues of international reach, like the greenhouse effect and the threat to the ozone layer. "The country faces an array of environmental effects even more daunting than pollution crises of the past generation," he wrote in his founda-

tion's latest "State of the Environment" report. He will now have a well-earned chance to frame the solutions.

Lee Thomas has administered the EPA with distinction. Within the limits set by the White House, he made notable strides rebuilding the agency from the ruins left by Anne Burford. His successes include banning uses of asbestos and helping secure the international treaty to protect the ozone layer.

Republicans are heirs to two traditions which often compete. Theodore Roosevelt and Gifford Pinchot expressed the Eastern establishment's noblest oblige commitment to protecting the environment. Mr. Reagan embodied the Western enterprisers who put development first. But his appointees, Mrs. Burford at EPA and James Watt at Interior, wrenched their agencies full tilt toward exploiting the environment, leaving an indelible blot on Mr. Reagan's record.

Mr. Bush has shown greater care and sensitivity in blending the two traditions. Mr. Lujan, formerly senior Republican on the House Interior Committee, has voted in favor of development projects like oil drilling in the Arctic wilderness. Yet there is no sign that he shares the extremism of Reagan appointees like Mr. Watt. By picking him and Mr. Reilly, Mr. Bush has made a sound start on keeping his environmental promises.

—THE NEW YORK TIMES.

Other Comment

A Blow to Nonproliferation

In the twilight of his term, President Reagan has dealt a blow to efforts to prevent the spread of nuclear weapons. He has issued an executive order that opens the way to convert U.S. civilian power plants into factories producing nuclear bomb material. This squanders any leverage the United States might have had to dissuade other nations from doing the same. Under the new wording, "any occurrence... including technological emergency" could be used as a pretext for commencing civilian power plants.

—The Boston Globe.

For a Global War on Drugs

Governments worldwide have awakened to the dangers of the flow of illegal drugs. In Vienna, 43 nations recently signed a United Nations convention which requires them to deal more harshly with the drug menace. This includes the enactment of laws which would allow governments to freeze or seize the bank accounts or property of suspected traffickers. The signatories also undertake

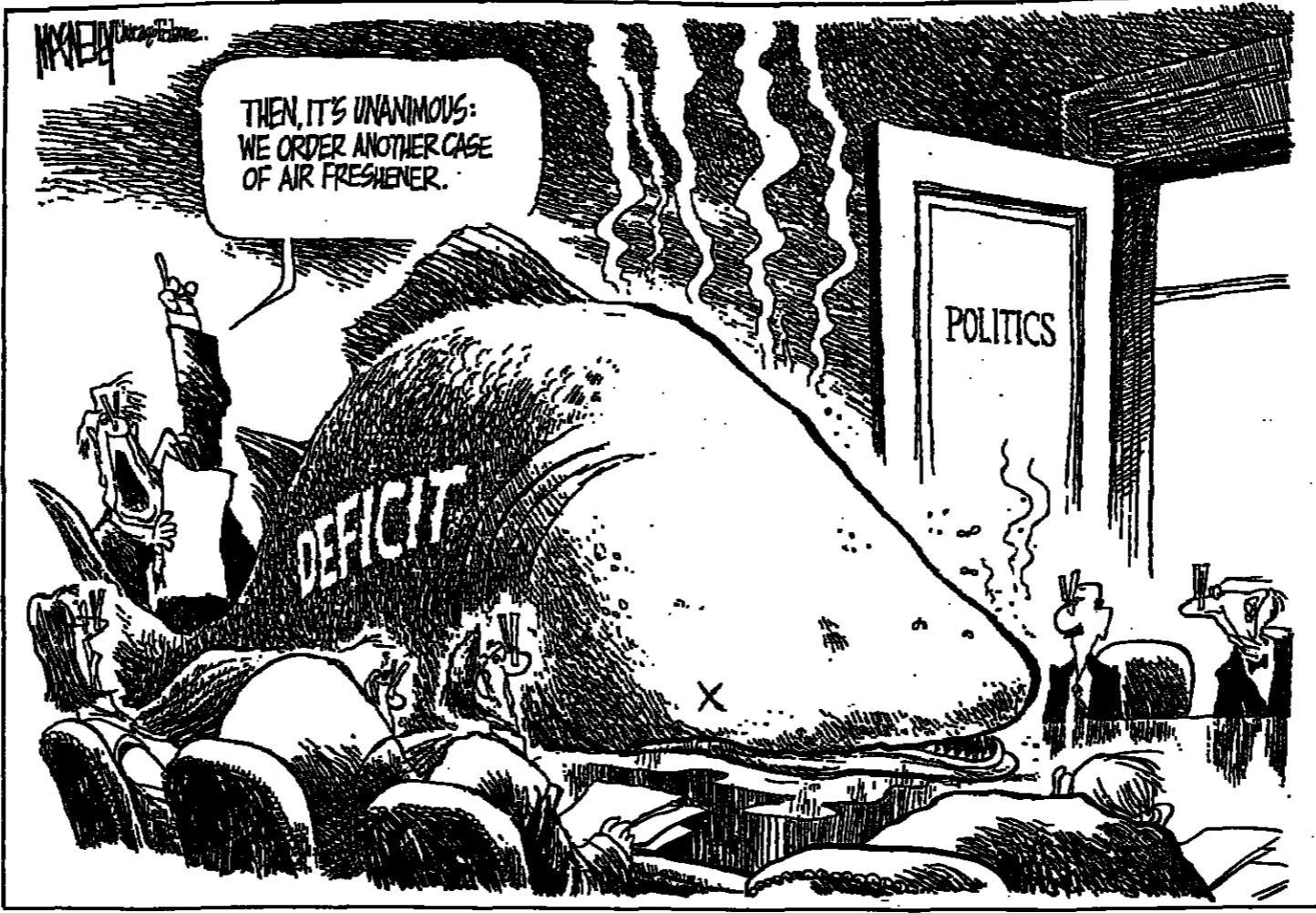
not to hinder probes into the assets of international drug syndicates, to extradite suspects and to curb the cultivation of drug-producing plants in their countries. More governments are expected to sign.

The determination to combat the drug menace comes not only from its spread but also from a recognition that drug trafficking has become more sophisticated. With the new convention, the international campaign against drugs is being taken one step further. Governments are hitting the drug barons where they hurt — in their pockets. If implemented, the convention should also put a stop to the activities of certain banks which have helped drug syndicates to conceal their ill-gotten profits.

The new convention may be worth no more than the paper on which it is signed. The document is subject to local laws, meaning that signatory countries can run away from fulfilling their obligations. But if the remaining havens for drug dealers are to be wiped out, and the lives of many saved from the debilitating effects of drugs, the will to serve a common cause must prevail.

—The Straits Times (Singapore).

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If the Cold War Is Over, Foreign Policy Is Freed

WASHINGTON — Mikhail Gorbachev's bold appeal to reshape the world order requires the United States to review its foreign policy. For more than 40 years, America's international strategy has been subordinated to one overriding concern: deterring Soviet global designs against the West. But now the Soviet Union is declaring that the idea of an irreconcilable class conflict between capitalist and socialist nations is obsolete.

Mr. Gorbachev leaves American diplomacy with no choice but to adjust to the new international environment or be constantly outmaneuvered by

By Dimitri K. Simes

exploited Soviet-American animosity to get greater assistance from both superpowers.

The third is gaining a greater latitude for unilateral uses of America's power against those who consider its interests easy prey.

Currently, more than 70 percent of America's defense budget is devoted to the least likely, even if the most ominous, threat to security: full-scale Soviet aggression against the West.

Statements by NATO leaders as well as West European opinion polls strongly suggest that America's allies are even more optimistic about Mr. Gorbachev's intentions than America is. As a result, European friends do not feel obliged to accept a greater share of the mutual defense burden. In fact, a number of them are beginning to feel that America's presence is not so much a generous protection against the common enemy as an increasingly unwelcome imposition on their sovereignty.

Thus, a gap is growing between the mounting costs of the American contribution to NATO and its declining political and military returns.

In addition, America's commitment to the defense of Western Europe comes at the expense of other pressing military priorities. For example, its Persian Gulf tanker-protection operation demonstrated a shortage of mine sweepers. Moreover, the United States does not have sufficient long-range capabilities for air and naval force projection.

This is particularly crucial now. As the example of Libya shows, no West European ally, with the exception of Britain, seems prepared to allow the use of American bases on their territory to launch overseas military operations.

The apparent decline in the Soviet threat allows America, through a combination of arms control, arrangements with the allies and unilateral steps, to make its military structure more responsive to the evolving global environment.

Downplaying the rivalry with Moscow may also put the United States in a strong position to resist unwarranted Third World demands for assistance.

Too many underdeveloped countries self-righteously insist that receiving aid is their God-given right rather than a manifestation of American gener-

osity. Their favorite instrument in pressuring Washington has been to raise the specter of moving closer to the Soviet Union. But today Moscow has limited enthusiasm for Third World assistance-seekers.

Additional costly commitments that the Kremlin might undertake should not cause much worry, so long as they do not come at the expense of basic U.S. security and economic interests. Already overburdened with numerous radical left-wing basket cases masquerading as allies, the Soviet empire would not be strengthened by such commitments.

For its part, America has for decades felt obliged to support all kinds of unworthy regimes, left and right, out of fear that the Soviet Union would fill any power vacuum. However, Moscow's current sense of overextension reduces the weight of the Soviet factor in evaluating aid requests from the Third World.

Paradoxically, the Soviet-American rapprochement makes military power more useful as a U.S. foreign policy instrument.

In the 1979-80 crisis, when Iran held Americans hostage, the Kremlin was very much an invisible presence during the Carter administration's deliberations about feasible military retaliation. Removing the constant concern about Soviet counteraction would permit Washington greater reliance on military force in a crisis.

Those who contemplate challenging important American interests might think twice if America's hands were relatively untied. For example, the 1973 oil embargo probably would not have taken place without the Arabs' widespread perception that America would not dare to respond militarily out of fear of triggering Soviet counterintervention.

Then, too, the Sandinistas and their Cuban sponsors would be bound to become a little nervous over Mr. Gorbachev's potential reaction if America finally lost patience with their mischief.

In sum, Mr. Gorbachev's initiatives mean that the United States can end its single-minded obsession with the Soviet Union as a target or a partner. An assertive and dynamically pragmatic foreign policy might well serve America best in the 1990s, beginning in the Bush administration.

The writer is senior associate at the Carnegie Endowment for International Peace. He contributed this comment to The New York Times.

For decades, America has felt obliged to support all kinds of unworthy regimes, left and right, out of fear that the Soviet Union would fill any power vacuum.

Moscow. After all, when an ally as reliable and hard-nosed as Margaret Thatcher talks about an end to the Cold War, a one-dimensional fixation on the East-West rivalry is no longer a credible option.

Moreover, there may be sizable advantages to exploring the Kremlin's opening, uncertain as it may be, in order to liberate American foreign policy from the straitjacket imposed by superpower hostility.

The Cold War brought clarity in adversity. The disintegration of the comforting international discipline associated with the Cold War leads to a new global environment — less rigid but more uncertain.

For America, the trade-off for the erosion in clarity is the opportunity to address a number of pressing national security challenges that could not be given priority amid rigid superpower politics.

Three challenges are urgent.

- The first is restructuring America's defense forces and its contributions to the alliance so as to promote fairer burden sharing without damaging American security interests.
- The second is ending the manipulation of America by Third World states which have ex-

Gorbachev Should Be Grateful to the Dissidents

BOSTON — Recent years have seen an extraordinary development in world affairs, one largely unanticipated. That is the growth and acceptance of human rights as an international standard for the behavior of governments.

The idea has become so much a part of our outlook that we forget how novel it is. Not so long ago the Soviet Union insisted that the way it treated its citizens was none of the world's business. Tyrannies of the right took the same position. And the U.S. government was reluctant to make human rights a consistent thread in its diplomacy.

President Reagan, taking office in 1981, nominated as assistant secretary of state for human rights a man who did not believe in his job. Ernest

By Anthony Lewis

Lever said: "The U.S. government has no responsibility — and certainly no authority — to promote human rights in other sovereign states." He wanted to denounce Communist cruelties but not those carried out by "friendly" governments.

Today no U.S. president would denigrate the role of human rights. The State Department may occasionally take a more hopeful view of trends in a regime that the United States supports, but there is no challenge to the principle that basic rights are indivisible. Torture, arbitrary imprisonment and killing by the state are unacceptable everywhere.

The most dramatic developments have come in Mikhail Gorbachev's

Soviet Union. Who could have guessed that a Soviet leader would stand before the United Nations and call for enforcement of human rights agreements by the world community? The hundreds of Soviet political prisoners would be released? That Andrei Sakharov would be able to speak out in Moscow and New York against policies of his government?

Of course, utopia has not arrived, in the Soviet Union or elsewhere. Soviet labor camps still hold people condemned for their religious or political beliefs and expression. Laws remain on the books that allow criminal punishment of dissenters and forced confinement in psychiatric hospitals. Worse repression continues in some countries of Eastern Europe, notably Romania and Czechoslovakia.

Elsewhere in the world there are unspeakable horrors. Amnesty International reported recently that there has been a wave of political executions in Iran, with 300 deaths confirmed and the total probably running into the thousands. Amnesty also described the case of Mr. Rafiq Abdullah Fatah, who went mad after Iraqi torturers put his head in a hood filled with flying ants.

In China, the leading figure in the Democracy Wall movement of the 1970s, Wei Jingsheng, is serving a 15-year sentence for writing his political views. In Israel, thousands of Palestinians are held without trial in oppressive conditions at a desert camp.

What has changed is that the world notices such cruelties. It has become more difficult for governments to carry them out in silence, in secret.

That is a profound change. Governments on the whole do not like international attention focused on their violations of human rights. To avoid it they may moderate their harshness. There were striking examples just now in South Africa.

The government released two detainees who were about to get international recognition. Zwelakhe Sisulu, a prominent black newspaper editor, had been held without trial for nearly two years. He was freed just before former President Jimmy Carter presented a human rights award to his whole family.

Janet Cherny, a white woman who has worked for adult literacy and other programs to help the black majority, was let out of prison just before she was to get a Reebok human rights award. Both she and Mr. Sisulu were pleased and remain under crippling restrictions that keep them from doing their work. Those are less noticeable abroad than prison without trial.

Self-Help in Bangladesh

By Jerry Sternin

DHAKA, Bangladesh — Save the Children has worked for the last 15 years in 13 villages of Bangladesh which were inundated by recent floods, the worst in the country's history. Nearly all the 40,000 villages covered by our program emerged from the ordeal in good health. It shows that sustained foreign aid, properly applied, can help people lead better lives.

Because the program was firmly established, primary health care centers, village development committees and volunteer workers were ready to respond to the crisis.

Youth groups and community volunteers joined Save the Children staff. They worked night and day to survey the damages and bring emergency food, medicine and water purifiers by boat to every household.

The mobilization of these resources, combined with generous relief funds from donors, made the difference between sickness and health and, ultimately, between life and death.

For example, our villagers have been trained to use lifesaving oral rehydration solution against diarrheal disease. Kits containing this solution reached those needing it within 36 hours of the floods. A CBS-TV news team visited our project areas in October and found that flood-related diarrheal deaths were only one per 20,000, while at a nearby village not covered by our program such deaths were one per 100.

When the floodwaters had receded sufficiently to begin reconstruc-

tion of homes, roads and schools, village development committees devised a "food for work" scheme. Assessing the condition of the most vulnerable villagers, they made lists to ensure that at least one member of each landless household would have work to replace the traditional daily agricultural livelihood which had been washed away by the floods along with the crops.

Villagers working with our field staff have drawn up contingency plans to cope with future disasters. Village development committees in one area have a plan to plant an additional high-yielding irrigated winter crop which would replace a summer crop lost to floods. In exchange for favorable credit terms to buy the necessary pumps, farmers have agreed to set aside half of the irrigated zone for landless villagers to sharecrop. The plan will enable the landless to store enough rice to last almost three months. Grain storage facilities will be improved in several villages. Fish ponds are being rebuilt with higher walls, and roads with wider embankments.

Most important of all, people are preparing for a difficult tomorrow rather than accepting its inevitability and their own impotence. Financial assistance, which donors throughout the world have provided, has helped bring about that change in attitude.

The writer is director of the Bangladesh field office of Save the Children (USA). He contributed this to the International Herald Tribune.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

The New York Times.

100, 75 AND 50 YEARS AGO

1888: Foreign Actors

NEW YORK — The movement to exclude foreign actors has received what is likely to be its death blow by the public announcement made by Mr. Joseph Jefferson and Mr. W. J. Florence that they not only have no sympathy with but are strongly opposed to it. Mr. Jefferson says that his name was connected with it by accident and that he considers the movement unwarranted. Mr. Florence says: "If the American actor is not competent to hold his own against the competition of foreigners he had better go to the wall and hide his head."

1913: An Islands Fund?

CONSTANTINOPLE — The Turkish government has reserved out of the loan from the Bank Paris a sum of 25,000,000 French francs which it refuses to allow the Minister of Finance to enter in the ordinary government accounts. It is believed that the Committee of Union and Pro-

The Five Performed A Service

By Jim Hoagland

PARIS — I sometimes wonder why "self-hating" Jews bother. Though hatred seems to come their way from others to save their own trouble.

The "self-hating" insult has not yet been limited publicly at the five American Jews who went to Stockholm to help coax peaceful noises out of a Mr. Y. Arafat, whose last known address is Baghdad, Iraq. But there is a troubling harshness in the vituperation that is beginning to rain down on them.

"The Jews' Jesse Jackson," George F. Will writes in The Washington Post of group leader Rita Hanser (not a plaudin, I think). "Well meaning," says Ben Halpern in the Los Angeles Times, a run-up phrase you use only for people you are about to kneecap.

The group was "used as a cat's paw" in an effort "to predate Israel's political future behind Israel's back," adds Mr. Halpern, professor emeritus of Near East studies at Brandeis University. He then appeals to American Jews not to play "matchmaker" between Israel and the PLO.

Mr. Halpern, Mr. Will and other commentators are ostensibly raising the issue of citizens' diplomacy, a question well worth stirring. Amateurs jumping into the middle of doctory diplomatic thickets usually do more harm than good. Some of the dangers of private citizens trying to run foreign policy intrigues are in fact about to go on display in the Oliver North/Iraq-contra trial.

But what really bothers these writers about the actions of Rita Hanser, publisher Stanley Sheinbaum and the others in Stockholm is not that they were sending wrong signals about U.S. intentions or subverting U.S. policy. The problem seems to be that these American Jews were cooperating with the U.S. government in carrying out official U.S. policy, i.e., in getting Mr. Arafat to recognize Israel and renounce terrorism.

It is the substance of that policy that causes the grief to Israel's government and to others. And a part of that grief is understandable.

Mr. Arafat's promises are as solid as cotton candy. His "moderation" and his sensitivity to the healing that must be accomplished for there to be peace between Israel and the Palestinians were demonstrated by his onward travels from Stockholm. He went straight to the Stalinist enclave of East Berlin and then continued on to a meeting and photo opportunity with a Mr. K. Waldheim of Vienna, a forgotten former clerk in Hitler's army.

But on the whole it is better to have Mr. Arafat make these reluctant promises than not. It forces the Palestinian movement to become more realistic about accepting Israel. It knicks down any fictitious justification that Arab states might try to raise now for not dealing directly with Israel. It requires new thinking on the part of Israel, but not only Israel, about ways to end the occupation of the West Bank and Gaza. And if Mr. Arafat reneges, it is the PLO that will pay the heaviest political price.

American Jews who have shown understanding of the Palestinian cause, or who have questioned Israeli policy in Lebanon or elsewhere, have been routinely castigated as "self-hating" by those who believe that dissent undermines Israel. But such insults may be losing their coercive force. The creative and independent involvement of American Jews in the Middle East in recent months suggests that they are becoming an important catalyst for positive change in the region.

The Hanser group is one example. So is the work done by Jerome Segal, a University of Maryland research scholar, in urging West Bank Palestinians to change a doctrine of peaceful coexistence with Israel. Even more significant is the sharp and open rejection by American Jews to the concessions that Prime Minister Yitzhak Shamir had agreed to make to ultra-orthodox religious groups to form a "narrow" government coalition.

Mr. Shamir hesitated to complete the deal because of the American Jewish reaction. When the Reagan administration pulled the Arafat rabbit out of the Stockholm hat, Mr. Shamir backed out on the ultra-orthodox parties and patched together an emergency coalition with the Labor Party to prevent a full-blown crisis from erupting with the United States.

American Jews as a community have a unique relationship with Israel. They are respected and generally trusted by a people whose tragic history conditions them to trust no one. They can speak softly and be heard. Asking American Jews to butt out of the Middle East just as a fringe hope blooms is a myopic reaction. Agreeing to do so would be a historic error.

The Washington Post.

Economic

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100, 75 AND 50 YEARS AGO

1888: Foreign Actors

1913: An Islands Fund?

1938: For a Coalition

PARIS — A coalition between the United States, Great Britain, France, and Soviet Russia was advocated by the former Premier Leon Blum yesterday (Dec. 26) in a speech before the French Socialist Congress at Montrozier, Paris suburb, as the sole means of preventing the totalitarian states — Germany and Italy — from obtaining domination of the world. France, declared the Socialist leader, should act as the link to bring together the democratic Anglo-Saxon powers in a common bloc with the Soviet Union. Mr. Blum denied that this combination would be an ideological bloc. There was only one ideological grouping in the world, he said, and that was the Rome-Berlin axis, which was founded on the principle of the struggle against communism.

But when the sun in Treleville really comes out, the Carre a Sucre or the crowds begin to be tonight and do not

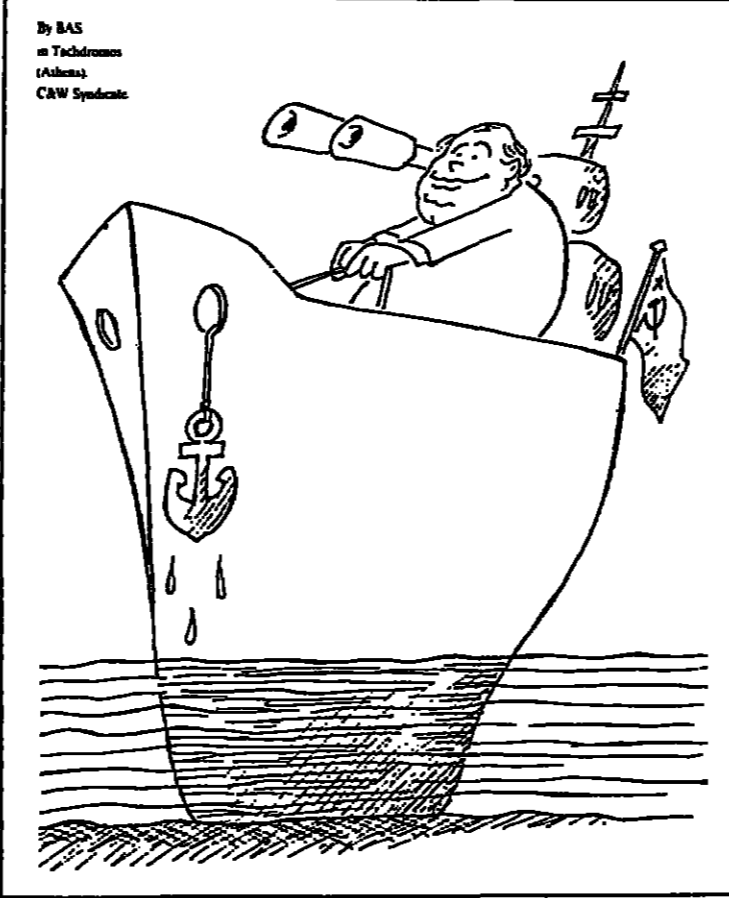
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OPINION

Take It From This Insider: Moscow's Circus Is Better

By William Safire

MOCKBA—All my old friends in Washington are wondering why it was that I fell from power and then—just as suddenly—have been reinstated as foreign policy adviser to President (former Comrade) Gorbachev. Unlike Gorbachev in the party, Ogarkov in the army and Chebrikov in the KGB, I was never a member of the Andropov Circle. When I came home after two decades as ambassador to Washington, Gorbachev said, "Be my adviser, Anatoli Dobrynin!" He saw me as a useful alternative to Gromyko and the old Brezhnev foreign policy crowd. But I was never personally trusted until three months ago. That was when Ligachev made his tactical mistake. He assumed I was angry at being pushed aside by Shevardnadze (who has not a tenth of my experience) and sought my support in putting a stop to the New Thinking. He said a coup was organized by the party apparatus. He claimed the backing not only of Chebrikov at the KGB but also of the Red Army's chief of staff, Marshal Akhromeyev, who was furious at the prospect of a cut of a million troops (reduced to half a million at the last minute). I was offered the Foreign Ministry. That was when I built my bridge to Mikhail Sergeyevich. A few of us personally warned him of the plot to demote him to an economics post at Novosibirsk. He reacted swiftly, sending Lev Zaikov, his Moscow party chief, to Defense Minister Yazov. Overnight, two divisions of troops—commanded by the generals and colonels who had served under Yazov in the Far East—were moved to the outskirts of Moscow. The coup was aborted. That led to the Sept. 26 Gorbachev counter-coup. The West noticed the demotion to agriculture of Ligachev, but the reshuffling of positions within the party was only part of it. For three years, Gorbachev had been



By SAS in Technidrom (Athena) CAW Syndicate

What Signal at USIA? George F. Will, in "Gorbachev's Fine Slogans Leave Out a Key Word" (Dec. 15), observes that the right choice for head of the United States Information Agency could be an important signal in favor of "nationalist articulation in Eastern Europe." He suggests Jeanne Kirkpatrick for the job. Mrs. Kirkpatrick would be a very questionable candidate. She has urged the U.S. government to distinguish between regimes which are "totalitarian" (i.e., Communist) and regimes which are "authoritarian" (such as Nicaragua under Anastasio Somoza or Haiti under Jean-Claude Duvalier). She sees the former as nothing less than intolerable, whereas the latter are somehow only regrettable. There are persons living under authoritarian regimes who might find this distinction a bit legalistic. Mrs. Kirkpatrick's ardent defense of it ought to be sufficient to disqualify her from any highly visible foreign policy post. To appoint her head of the USIA would indeed be a signal, but the wrong one. ROLF HAMBURGER, Neully-sur-Seine, France. Prague's Comrade Scrooge In response to "Tis No Season to Be an East Bloc Shopper in Czechoslovakia" (Dec. 7) by John Tagliabue:

Not Raised to Be Pregnant Unwed

By Frances Upchurch

SPARTANBURG, South Carolina—She was young, barely 15. Reared in the bosom of a loving but protective family, she was innocent in the ways of the world. She had never spent a Saturday shopping with friends, never spent a Sunday swimming at a lake. Her dress was closely circumscribed, as was her behavior. Slumber parties and sock hops were not a part of her life. Dates were not allowed. But if she had resentments, she never complained. She seemed to accept her life, doing her best to emulate her mother's examples in virtue. One suspects that neighbors, who tend to do such things, frequently praised her, holding her up as a model to teen-age daughters who might have been less compliant. Quiet. Devout. Dutiful. Surely not the kind to become a statistic: another unwed, pregnant teen. But she did. Dismayed, her parents bombarded her with questions: Where had they, and she, gone wrong? They hadn't, she said. When they demanded the name of the man involved, they met a stone wall, the first they had ever encountered from her. She refused to name any man. Defeated, they decided on a course of action: To preserve family honor and their daughter's good name, they would ask a friend to marry her. He was older—more of their generation than hers—and could be depended upon to keep

LETTERS TO THE EDITOR

Kenyon College's Outsiders Regarding "When Outsiders Give College Exams" (American Topics, Nov. 23) Oberlin isn't the only college in Ohio to use outside examiners. As a former faculty member at Kenyon College, I can attest that they also are used at that liberal arts college for honors students in all academic departments. This is a much debated yet respected characteristic of Kenyon College, and one of which its faculty is very proud. FRANCISCO BATALIER M., Waterloo, Belgium. Teach Them Not to Point Regarding "Attila at the Peace Demonstration" (Meanwhile, Dec. 13): As a pacifist who has owned and used guns for sport since I was 12 years old, I was shocked by the flippant attitude displayed by Meredith Tax. I was taught that one should never tip any weapon, real or toy, at another person. The reason for this became painfully obvious to me when I was shot in the hand by a BB gun. I still bear the scar from this 25 years later. So, yes, let's teach our children the difference between fantasy and reality. But let's also teach them not to point weapons at people. The armies of the world will do their job of teaching them when and how to do that. PAUL J. BOLLER, Zumikon, Switzerland. Blood-Chilling Delays The literal meaning of sang froid came home to me when I read under the headline "Paris Metro Riders Grow Impatient" (Travel Update, Dec. 11) that during the subway strike "electricity on some lines had to be switched off for fear of people touching the live rail, causing further delays to trains." What about the possibility that people might lose their lives while doing so? ELENA MELTZER, New York. Mickey's Maker, Too It is gratifying that Mickey Mouse is to be recognized by the United Nations

Officers in the Wings

FOR the moment, Mr. Gorbachev appears to have solidified his grip over the armed forces. Insofar as he can make that achievement stick and carry off the troop cuts he announced in New York, it bodes well for a productive conventional arms control dialogue with the Bush administration. It is doubtful, however, that he has succeeded in co-opting the military. More likely he has planted the seeds of ill will among many sectors of the officer corps, whose leaders have fallen back on sullen acceptance and a quiet taking of names against any future chance to settle scores should Mr. Gorbachev's political fortunes begin to falter. —Benjamin S. Lambeth, of the Rand Corporation's National Defense Research Institute, in the Los Angeles Times.

word for the uprising, echoed the views of many thousand Israeli settlers when he said: "I think the buifada has had the opposite effect. It has made people more determined, more committed." Commitment may not be the only reason; settlers get large government subsidies for the purchase prices of their homes. But whatever the motivations, statistics suggest that Mr. Harel is correct. Since the uprising began, only 100 families have left the territories because of the violence. But 2,500 new families have moved in. On taking over from the Labor Party leadership of Shimon Peres in 1986, the government of Prime Minister Yitzhak Shamir decided that the settlement program would be carried forward, though with a limit of six new settlements a year, as agreed to when the governing coalition with the Labor Party was created two years earlier. One of the prickliest issues in the final days of the recent negotiations to form a new Israeli government was whether new settlements would be built over the next four years. Mr. Shamir promised the Tehiya Party that Likud would authorize the building of 40 new settlements; the Labor Party wants none. In the end, the two parties agreed that up to eight would be built. But the settlers doubt that they will get even eight.

GENERAL NEWS

Israeli Settlements Soar on West Bank

By Joel Brinkley New York Times Service ELI, Israeli-Occupied West Bank—The brightly colored road sign on the highway to Nablus says: "Come Visit Eli. We're Building!" And up a dirt road, 20 Jewish families live in pleasant tract homes not much larger than trailers. Twenty more settlers' homes are under construction, and 18 of those are already taken, said Hannah Avital, who has been on the settlement's new resident "absorption committee." Even here, deep in the West Bank, she said, "We're not having any trouble attracting people. People are moving here because of the uprising." With the Palestinian uprising in its second year, and Arabs throwing stones and firebombs at Jewish settlers' cars and buses every day, Jewish settlers are moving into new houses in the West Bank just as fast as they can be built. And settler leaders believe that the U.S. decision to talk with the PLO will only increase the number of Jews moving to the West Bank. "We are moving into high gear in our protests and efforts to attract people to come out here," said Yitzhak Medad, an official of the Tehiya Party, which advocates increased settlement. Mr. Medad, a settler himself, adds with reference to the West Bank region: "A Jewish presence in Judea and Samaria is the only way to prevent a Palestinian state." Not even the killing of a West Bank settler by a Palestinian shepherd early this month seems likely to dissuade hard-line Israelis from moving to the territories. If past examples are any indication, the death of the settler, Yaakov Farag, is likely to prompt even more Israelis to become settlers. "Since the '30s, whenever a Jewish settler is assassinated, we have answered with more settlers," said Yisrael Harel, chairman of the Council of Jewish Settlements in Judea, Samaria and Gaza. "That is what will happen in this case." An Arab who is close to the leadership of the Palestinian uprising said one big reason that the Palestinians continue to stone and firebomb cars is that they are facing "the problem of the settlers." He continued, "We have to keep pressure up all the time because we want Israelis not to like living in the West Bank." But Mr. Harel, using the Arab



At Eli, two Israeli children watch the construction of settlement.

Israel and Egypt Widen Peace Bid

The Associated Press JERUSALEM—Prime Minister Yitzhak Shamir may ask the United States and the Soviet Union to sponsor talks for a Middle East settlement as part of a peace initiative, an aide said Monday. But, the aide, Yossi Alhimir, said Mr. Shamir would set as a condition to such a proposal Moscow's renewing the diplomatic ties with Israel that were broken during the 1967 Middle East War. Mr. Shamir's proposal comes as President Hosni Mubarak of Egypt reportedly is considering a trip to Israel to try to advance stalled peace efforts. Mr. Mubarak would be the first Arab leader to visit Israel since his predecessor, Anwar Sadat, did so in September 1979. Mr. Shamir "would like to renew the link with Mubarak," Mr. Alhimir said. "This is a good time. The Arabs now have the feeling that

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Netherlands** N.L.	06-022 08 15	600	492	340	185
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Spain** S.P.	(91) 401 29 00*	31,000	31,780	17,000	9,600
Sweden** S.K.	(08) 21 01 90*	2,000	1,276	1,100	600
Switzerland** S.F.	046 05 68 00	455	455	255	141
Rest of Europe, N. Africa, Form. Fr. Afr., Middle East \$	---	470	Varies	260	145
Rest of Afr., Gulf, S. Asia \$	---	620	---	340	190
Central/Latin America \$	---	540	---	295	160

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TUESDAY, DECEMBER 27, 1988

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INTERNATIONAL STOCK MARKETS

Foreigners Could Crowd Yen Bond Markets in 1989

By TATSUO ITOH

TOKYO — Abundant liquidity, attractive conditions and a desire for a high profile here will make more foreign financial institutions and government units issue yen bonds in Japan next year, according to underwriting and banking sources.

Debtors who have stayed away from Tokyo are gradually turning their eyes to the advantages of the Tokyo market, a manager at a major broker said.

Rising interest rates elsewhere have made borrowing costs in Japan look relatively cheap, the sources said.

Issues of yen-denominated bonds in Japan by nonresidents rose this calendar year, especially in October, because of the strength of the Japan government bond market.

As of Dec. 23, nonresidents had issued a total of 741 billion yen (\$5.93 billion) in domestic bonds in 1988, up from 498 billion yen in all of 1987.

Private placement yen bonds in Japan by nonresidents accounted for 166.2 billion yen this year, more than double the 77.5 billion in 1987, underwriting sources said.

That compared with yen bond issues in the Euro market totaling 1.8 trillion yen in the first 10 months of 1988, down from 2.9 trillion in all of 1987.

In 1989, the ratio of Euro market yen bond issues to domestic yen bonds issued by foreigners should be about 2 to 1, compared with around 3 to 1 this year, one analyst at an underwriting firm said.

Thanks to a booming economy, Japanese institutions and individuals are flush with cash to invest. Despite the relatively low interest rates, they remain attracted to yen bonds for their strong price performance and because the underlying strength of the yen minimizes foreign exchange risks, banking sources said.

In Japan, even in private-placement bond issues, the demand for bonds and the desire of lead underwriters to give everyone a piece of the action is such that new issues can often have as many as 20 co-underwriters.

THE STRONG demand and the spreading around of the risk mean some borrowers who might have problems floating issues overseas find a ready market in Japan, according to banking sources. Borrowers have also been drawn to Japan by the recent removal of a major obstacle to quick issues, underwriting sources said.

In the past, foreign borrowers complained that it took about one month to issue yen bonds in Japan, making it hard for issuers to react to changing conditions.

Last October, the Finance Ministry changed that situation by introducing a shelf registration system.

Borrowers can now get advance authorization to issue up to a set amount of bonds over a certain period — for example, 50 billion yen worth over two years. During that period and within the preset limits, specific issues can be made within a week of their announcement.

Nine government-related foreign financial units have so far registered to issue a total of up to 990 billion yen in bonds over the next two years.

Underwriting sources said the issues are likely to be well subscribed, given the high ratings of the borrowers.

Foreign governmental units and institutions come to Japan for yen bond issues for reasons of image and prestige as well.

As Japanese companies and institutions expand their direct and indirect investments overseas, foreigners want to be visible to the sources of those funds on their home turf, sources at major money brokerages said.

Japanese Car Curbs Said to End Soon

Automakers Say Yen's Sharp Rise Has Cut Need for Official Controls

By Doron P. Levin
New York Times Service

DETROIT — Despite a large automotive trade surplus favoring Japan, there are signs that the voluntary agreements that have restrained Japanese car exports to the United States for the last eight years may end soon.

The decision is not expected to be announced until February, but reports have appeared in the Japanese press in the last two months saying that the Ministry of International Trade and Industry is considering dropping the restraints, which expire on April 1.

The Automobile Manufacturers Association of Japan has pressed its call for an end to the restraints, pointing to the rebound of U.S. car manufacturers since the early 1980s.

"The restraints have outlived their usefulness," said a U.S.-based executive of a Japanese car manufacturer. "Who's kidding whom? The restraints have caused consumers to pay higher prices."

The U.S. government, which is not a party to the restraint agreement between Japan and its automotive manufacturers, maintains a neutral position on restraints, said a Commerce Department spokesman.

On Dec. 12, the Japanese government announced a 37.9 percent increase in the dollar value of its monthly trade surplus with the United States, bolstered by a 16.6 percent increase in the automotive trade surplus.

The trade numbers, however, do not measure the actual number of Japanese cars imported, which has declined.

Economists say the dollar figure of the trade surplus is higher because of currency fluctuations, higher prices for Japanese cars and the growing volume of automotive merchandise that is not counted in car shipments.

An economist for one of the Big Three U.S. manufacturers, who declined to be identified, said that Japanese cars assembled in the United States have an average Japanese content of about 50 percent, including major parts like engines and transmissions, which are not counted under the voluntary restraints.

Hence, the 720,000 units from so-called transplants means an economic value of about 360,000 additional Japanese imports.

Although that adds to the U.S. trade deficit, it is not counted for purposes of the restraints.

The Japanese in recent years have also been shipping more expensive



An assembly plant for the Honda Civic CRX. Japanese carmakers are calling for an end to the voluntary restraints that have limited their exports to the United States since the early 1980s.

models to the United States. The trend appears to be on the rise as Toyota Motor Corp. and Nissan Motor Corp. have recently joined Honda Motor Corp. in adding luxury franchises to their regular lines of cars.

The trade numbers raised some speculation that the Japanese government might decide to keep the restraints, but officials of the Big Three auto makers and Japan's automotive trade group have declined to predict what the Trade Ministry will do.

Analysts and economists had incorrectly predicted that the restraints would be dropped last year, while Japanese vehicle sales were declining and car exports were running below the permitted level.

But now the Japanese industry is in its second year of falling car exports to the United States.

Because of higher Japanese car prices stemming from the fall of the dollar, Japan's nine automobile manufacturers shipped only 2.14 million of the 2.3 million cars they were allowed to export to the United States in the year that ended on April 1, 1988.

The relative weakness of the dollar has depressed shipments further this year. From April to October, car shipments from Japan totaled 1.27 million units, compared with about 1.45 million units for the same period last year.

But not all Japanese car manufacturers have fallen short of the import limits.

A Honda spokesman said the company met its quota last year and would probably import every car it could this fiscal year.

Scott Meritt, an analyst for Morgan Stanley & Co. in New York, said he believed that the Japanese government might reapportion the limits, shifting units from companies that were not shipping at their allowed level to those that could sell more cars than were now being permitted.

The robust health of the Big Three manufacturers remains the most important reason for believing the Japanese government might drop the restraints, said several of the economists.

Oil Flow In U.K. Cut 10%

3 Fields Affected As Tanker Slips From Moorings

Compiled by Our Staff From Dispatches

ABERDEEN, Scotland — Britain's North Sea oil output will be cut by between 10 and 12 percent for weeks because a huge storage tanker broke from its moorings over the weekend, Shell Oil Co. said Monday.

After the vessel began drifting on Saturday, three North Sea fields — Fulmar, Auk and Clyde — were effectively closed because of the absence of a collecting point for their oil.

The incident shut down three platforms, which represent 10 to 12 percent of the U.K. North Sea oil production," a Shell spokesman said. "There is now no way of bringing the oil on shore."

He added, "At the moment it is difficult to say how long the oil fields will be closed, but it could be weeks, probably months."

British oil output already was about 10 percent below normal because of the explosion of the Piper Alpha oil rig in July. The loss of the platform closed the Piper Alpha field as well as the Claymore and Scapa fields, though work has progressed on returning the latter two to production.

Although North Sea production will continue to cover British consumption, the country's trade balance may be significantly affected by the reduced output, an analyst in London said.

Sales of British oil products totaled \$9 billion (\$16.2 billion at the current exchange rate) in 1985, but they will barely exceed \$2 billion this year because of lower prices and output.

The fields have a combined output of about 210,000 barrels per day. This amounts to around \$1.75 million of lost daily output.

On the other hand, the 210,000-ton tanker, converted from a merchant ship, broke from its moorings and drifted for more than five hours with 34 men on board, all mottled with an oil platform with 150 people on board.

The Fulmar had 100 metric tons of crude oil in its tanks.

The vessel, which has no engines or steering, was taken under tow later the same day by tugboats. It was being taken to the Norwegian port of Stavanger for repair and was expected to arrive there on Tuesday.

Oil from the three platforms was fed by pipeline into the vessel, which was moored 150 miles east of the Scottish city of Dundee.

The spokesman said the three fields shut down automatically when the vessel broke free.

Shell operates Fulmar and Auk, while Clyde is run by British PLC, which is owned by British Petroleum PLC.

(Reuters, AFP)

Hong Kong Fears a Chinese Inflation Invasion

By Coleen Geraghty

International Herald Tribune

HONG KONG — Untrammeled growth in China is threatening to fuel a dangerous inflationary spiral here, and Beijing's efforts to control the situation are affecting local businesses with joint venture projects on the mainland.

Rising consumer price inflation in Hong Kong, in part imported from China, may also erode Hong Kong's ability to compete against other newly industrialized economies of East and Southeast Asia, all of which enjoy substantially lower inflation and higher rates of growth, economists and executives indicated.

Just as China's growth has benefited Hong Kong's economy in the last few years, so China's runaway inflation — now at 30 percent in some cities — endangers the territory's prosperity now.

Through food imported from China, through the growing number of Hong Kong-owned factories based on the mainland and through the millions of Chinese laborers who cross the border each day to work in Hong Kong, Chinese inflation also crosses the border.

An annualized 8.15 percent increase in Hong Kong consumer prices during the third quarter is blamed primarily on domestic factors, such as strong consumer demand, an overheated property market and escalating wage rates, rather than the pressure of high-priced imports from China. But if Beijing fails to bring China's economy under control in early 1989, Hong Kong may suffer more serious consequences.

"If China cannot bring inflation under control early next year, it will become a problem for Hong Kong," said Vincent Cheng, chief economist for Hongkong & Shanghai Banking Corp. "Our economy



Gordon Wu: Worried about high costs of building materials.

plot China's lower wage rates must now contend with escalating production costs and raw material shortages.

Others currently in the process of establishing joint ventures face the prospect of long construction delays or cancellation, as Beijing attempts to weed out those projects considered extraneous or inadequately financed, executives said.

Hong Kong's business community has been the top investor in China since 1979, when the country reopened its doors to foreign capital. Of the \$12 billion invested in the region through August this year, Hong Kong accounted for about 50 percent.

Production sites on the mainland have become crucial to the survival of the territory's toys, textiles and electronics industries, and thus to

reliance on the price stability of Chinese imports.

Inflation fears weigh most heavily on Hong Kong-based investors with joint venture projects in China. Local manufacturers who built factories across the border to ex-

See INFLATION, Page 8

Currency Rates

Cross Rates	Dec. 23/26	Dec. 23/26	Dec. 23/26	Dec. 23/26	Dec. 23/26	Dec. 23/26	Dec. 23/26	Dec. 23/26	Dec. 23/26
American \$	100	100	100	100	100	100	100	100	100
British £	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
French F	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
German M	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Italian L	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Japanese ¥	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Swiss S	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Spanish P	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Portuguese Esc	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Belgian B	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Dutch G	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Canadian C	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Australian A	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
New Zealand N	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
South African R	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Israeli S	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Thai B	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Singapore S	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Malay M	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Indonesian Rp	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Philippine P	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Thai B	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Singapore S	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Malay M	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Indonesian Rp	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37
Philippine P	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37	166.37

Take note: Rates from Dec. 26. All other rates from Dec. 23. Closing in London, Tokyo and Zurich. Rates in other centers. New York closing rates. All commercial rates. To buy one dollar: c. To buy one dollar: *. Units of 100: N.A.; not quoted: M.A.; not available.

Other Dollar Values	Dec. 23	Dec. 23	Dec. 23	Dec. 23	Dec. 23	Dec. 23	Dec. 23	Dec. 23	Dec. 23
Argen. austral	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21
Austrian S	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21
Belg. franc	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21
Br. franc	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21
Can. dollar	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21
Chilean peso	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21
Danish krone	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21
Deutsche mark	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21
French franc	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21
Italian lire	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21
Japanese yen	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21
Spanish peseta	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21
Swiss franc	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21
Thai baht	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21
West German mark	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21
Yen	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21	13.21

Key Money Rates Dec. 26

United States	Close	Prev.	1 month	3 months	6 months	1 year
Discount rate	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2	4 1/2
Federal funds	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2
Prime rate	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2	10 1/2
3-month Treasury bill	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
6-month Treasury bill	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
1-year Treasury bill	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
3-month CD	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
6-month CD	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2	8 1/2
1-year CD</						

INDIAN GIVERS: How the Indians of the Americas Transformed the World

By Jack Weatherford. 288 pages. \$17.95. Crown Publishers Inc., 225 Park Avenue South, New York, N.Y. 10003.

Reviewed by Tony Hillerman

FOURTEEN essays form this unusual little book. A single theme links them, and each reinforces the same thesis — that the native cultures of the Americas revolutionized world civilization and would have transformed it even more had American Indian knowledge not been ignored and then destroyed.

Weatherford is a professor of anthropology at Macalester College in St. Paul, Minnesota, and he acknowledges financial assistance from the Kellogg, Joyce and Bush Foundations. As scholarly-scientific as all that sounds, there is none of the musty clumsiness here that one expects from academic writing.

In "Silver and Money Capitalism," for example, Weatherford gives us a day in the life of Rodrigo Cespedes, a Quechua Indian who works a seven-day week at one of the silver mines that honeycomb Cerro Rico in the Andes. The

quick look at this exploited Indian, who gives an exhausting 12 hours for about a dollar, is dramatic. So are the economic statistics that follow. This peak produced 85 percent of the Andean silver that flooded Spain in the 16th century, and it made Potosi a city rivaling London and Paris in size. But Weatherford's ultimate point is that the huge supply of silver and gold produced by Indian miners increased the supply of precious metals available for coinage in Europe eightfold by 1600. That made possible the development of capitalism and the beginnings of a sophisticated urban trading economy.

Weatherford moves from mining to an illustration of how efforts to exploit far-trapped by Canadian Indians led to development of the corporate structures that grew into a world trading system. He covers the contributions of New World Indians to the world's food supply — effective farming methods as well as plant species that, beyond doubt, revolutionized world agriculture and provided more than half of what the world eats today. He explores what Indian knowledge added to the world's ability to cure its illnesses. He deals with what Indian America added to architecture and urban planning, to navigation and even to world political philosophy.

Weatherford is certainly right in his central thesis: that we have underrated and ignored the contributions of American Indians to the world's economy and culture. He is also right in his final argument: that we are losing our opportunity to benefit even more because we are allowing surviving Indian cultures to die away without learning what they still have to teach us.

Tony Hillerman's most recent book is "A Thief of Time." He wrote this for the Los Angeles Times.

INFLATION: Hong Kong Fears Mounting Pressures as Chinese Prices Surge

(Continued from first finance page)

their ability to contribute to Hong Kong's high growth rate.

Analysts forecast that Hong Kong's gross domestic product will have grown by about 7.5 percent this year, down from 13.5 percent in 1987. By comparison, South Korea's gross national product growth rate is expected to remain near last year's 11.5 percent, while Singapore's rate is forecast at 10 percent in 1988, up from 8.8 percent in 1987.

This is the third time in a decade that China has been forced to restrain economic growth; each time, Hong Kong has felt the pains of adjustment. Though they may not always be apparent in the territory's economic statistics, they have had a chilling effect on business mentality in this gateway city.

Ironically, the unprecedented number of joint venture projects authorized in 1988, including those with Hong Kong partners, may have contributed to the current inflationary spiral.

Through August, Chinese officials approved 3,085 projects representing about \$2.85 billion in new investment, 75 percent above the same 1987 period. Actual investment, at \$1.3 billion, was up 25 percent over the previous year.

Chinese inflation, which ran at an annual 30.3 percent for cities in November, and dwindling supplies of basic raw materials, are threatening the completion of a number of joint venture projects. In the last month, Chinese officials have spoken of plans to postpone or cancel a number of projects with foreign investors, some of which had already begun construction.

China Daily, an English-language newspaper published in Beijing, reported that Guangzhou's Municipal Capital Construction Inspection Group had canceled or postponed 43 previously approved construction projects, to which 900 million yuan (\$341.8 million) in investment had been committed.

All were hotels, office buildings, or recreational projects; 13 were Sino-foreign joint venture tourist hotels. The newspaper did not say how much of the committed funds had been spent.

Although this was the only official announcement of joint venture cancellations in China, analysts here claim that Beijing's restrictive monetary policy has effectively placed dozens of other projects on hold. Investors have

had difficulty securing lines of credit with Chinese banks to finance the local-currency portions of their projects.

In other cases, projects have been postponed until the Chinese or foreign joint venture partners can obtain additional financing, sources said.

"Beijing can say quite truthfully that there is no directive delaying joint venture projects," said Mr. Cheng of Hongkong & Shanghai Bank. "But, in fact, China's tight credit policies have that very effect."

Hong Kong investors are unwilling to discuss the situation or its impact on the territory's economy. The issue is so sensitive that the press was barred from attending portions of a recent seminar at which foreign joint venture partners discussed their problems in China.

"The Hong Kong partners are in a very delicate situation," said one observer. "Some of them have been given a choice — either secure additional financing or face cancellation. No one wants to say anything that might endanger the future of his joint venture."

Hotel projects are particularly vulnerable to this latest round of austerity measures, analysts said. Early in China's modernization drive, inadequate hotel accommodation put constraints on the amount of foreign exchange that could be earned from tourism. But officials overcompensated by approving the construction of dozens of new hotels, particularly in rapidly growing cities like Guangzhou and Beijing.

"China allocated its resources unwisely in the major cities," said Andrew Chow, managing director of Tian An China Investments, which has invested in several joint venture projects. "What Guangzhou needs is a new airport, better roads and additional power-generating facilities, not more hotels and office buildings."

Projects that are crucial to China's infrastructural development are unlikely to be postponed or canceled, but they are not exempt from the effects of inflation.

Gordon Wu, whose family-owned Hopewell Holdings is the joint venture partner in a superhighway that will link Hong Kong with Guangzhou, said building material costs are increasing at an alarming rate. The construction boom in southern China has quadrupled the price of cement to 400 yuan per ton since the beginning of the year, and Mr. Wu has been forced to revise his cost estimates for the project.

Hong Kong manufacturers with existing production facilities in China also face inflationary pressures, ac-

ording to Michael Ipsen, executive director of Chemical Asia Ltd., a division of Chemical Bank.

"Their budget estimates of labor costs and raw material prices are now out of date," Mr. Ipsen said. "An inflationary psychology has taken hold because Hong Kong businessmen are very sharp, and they will always anticipate increased costs."

The government is forecasting Hong Kong's 1988 inflation rate at 7.5 percent, but many analysts believe it could reach 8 percent, well above the 5.5 percent registered in 1987. According to official figures, consumer prices rose 7.6 percent in October after an 8.8 percent increase in September.

"The inflationary pressures that caused prices to climb 8.1 percent in the third quarter are still there," said Alan McLean, a government economist. "They have not abated. But I would argue that inflation in Hong Kong has little to do with inflation in China at the moment."

Edward Leung, chief economist for Standard Chartered Bank, agreed. "Only to a small extent has inflation in China begun to affect Hong Kong," he said. "The price increases we are seeing are partly anticipatory. They reflect the fear of further inflation to come."

But economists at Hang Seng Bank, a Hongkong & Shanghai subsidiary, pointed out in their monthly newsletter for November that foodstuffs led the increase in Hong Kong's consumer price index throughout 1988, and China-supplied items account for about 35 percent of the foodstuffs weighting within the index.

Moreover, because China's administration has become significantly decentralized and foreign trading companies have assumed more direct financial responsibility, domestic inflation will tend to filter into the export market more rapidly than before, they noted.

At the same time, rising costs for Chinese-manufactured products may puncture China's burgeoning trade with Taiwan and South Korea, most of which filters through Hong Kong as re-export trade. The pace of the re-export trade has risen by half this year, and economists now estimate that more than 40 percent of Hong Kong's total re-exports consist of goods passing through the territory into or out of China.

Given the increasingly symbiotic relationship between Hong Kong and China, Beijing's efforts to cool an overheated economy will be welcomed by the colony, though the cost of fighting inflation may mean slower growth rates for the next few years.

CHESS

By Robert Byrne

ACCORDING to the folklore that has sprung up around the game, combinational tacticians are ill at ease facing positional players. But does anyone really know whether this is true?

Currently on the American scene one of the greatest combinational whizzes is the Queens, New York international master Michael Rohde and one of the greatest positional players is the Seattle, Oregon grandmaster Yasser Seirawan. But when they met in the 10th round of the United States championship in Cambridge Springs, Pennsylvania, Rohde, far from being perturbed, won brilliantly and was awarded the prize for the most interesting combination of his effort.

A defensive system that involves 7...Bg4 is open to the objection that a consistent subsequent exchange such as 10...Bf3 11 Qc3 puts White in possession of the bishop-pair.

As early as 14 Rd1, White threatened 15 Nc4 and 16 Nd6, thus virtually mandating the defense 14...b5.

Perhaps the best defense to 19 c4! was 19...Rb8, although 20 c4 cb 21 Nc5 Nd5 22 Rd5 Qc3 23 Qd3 would be extremely difficult for Black to meet. For example, 23...Nc5 24 Qe2, Re2 25 Be7 wins a pawn.

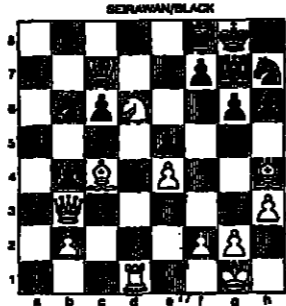
Of course, 19...b4 looked good in denying the white KB activity, but Rohde showed that that was an illusion to be exposed by his deeply thought out sacrifice 20 c5! Nc7 21 Nc4!

After 21...Nc5 22 Nd6 Qc7 23 Bc4, Seirawan should have tried 23...Ng5 24 Bg5 hg 25 Qc3 Nc6 26 Be6 fe because 27 Qc5 can be powerfully met by the pin with 27...Rd8. Whether Black's extra pawn would be sufficient to neutralize White's positional advantage after the correct 27 Nc4 would be a difficult question.

Seirawan surely expected to repulse the attack with 23...Na4? 24 Qb3 Nb6, but he had overlooked Rohde's fine combination with 25 Bf7! Rf7 26 Bb8! There was then nothing to do but capture with 26...Qd8 and allow 27 Qf7 Kh8 28 Qb3, with the terrible threat of 29 N7.

The ultimate point of Rohde's combination was that after 28...Ng5 29 Nf7 Nf7 30 Rd8 Nd8 31 Qb4, Black had to lose a knight. Thus, 31...Nd7 is met by 32 Qd6 and 31...Nc8 by 32 Qb8.

In the queen-versus-two-minor pieces end game, Rohde cut enemy resistance short by 38 f4!, forcing 38...e4 39 g4, which produced a passed e4 pawn and undermined the knight at d4. After 41 Kh3, Rohde



Position after 24...Nc6

was ready for 42 Qc6 followed by the decisive advance of his b2 pawn. Seirawan gave up.

Table with chess notation and piece movements: 1. e4, 2. e4, 3. Nf3, 4. Nf3, 5. Nf3, 6. Nf3, 7. Nf3, 8. Nf3, 9. Nf3, 10. Nf3, 11. Nf3, 12. Nf3, 13. Nf3, 14. Nf3, 15. Nf3, 16. Nf3, 17. Nf3, 18. Nf3, 19. Nf3, 20. Nf3, 21. Nf3, 22. Nf3, 23. Nf3, 24. Nf3, 25. Nf3, 26. Nf3, 27. Nf3, 28. Nf3, 29. Nf3, 30. Nf3, 31. Nf3, 32. Nf3, 33. Nf3, 34. Nf3, 35. Nf3, 36. Nf3, 37. Nf3, 38. Nf3, 39. Nf3, 40. Nf3, 41. Nf3, 42. Nf3, 43. Nf3, 44. Nf3, 45. Nf3, 46. Nf3, 47. Nf3, 48. Nf3, 49. Nf3, 50. Nf3, 51. Nf3, 52. Nf3, 53. Nf3, 54. Nf3, 55. Nf3, 56. Nf3, 57. Nf3, 58. Nf3, 59. Nf3, 60. Nf3, 61. Nf3, 62. Nf3, 63. Nf3, 64. Nf3.

Troubled Honeywell Looks Vulnerable

CHICAGO — Four quarters of unexpected write-offs and a possible loss of over \$400 million for the year has badly shaken Wall Street's confidence in Honeywell Inc.

Honeywell's stock has fallen from \$76.25 a share in June to \$58.50 last Friday. And some analysts say the building controls and avionics company, whose annual sales are \$6.7 billion, has become vulnerable to raiders.

"I'm sure there are companies out there figuring that it would be much cheaper to buy Honeywell than to build its businesses themselves," said Kurt A. Rivard, an analyst at Dain Roesch Inc. "Jim Renier is going to have to rebuild the credibility of Honeywell to prevent its takeover."

James J. Renier, 58, the company's chief executive, was given the additional post of chairman last week. He faces a daunting task. Last Tuesday, the Minneapolis-based company announced that it expected to take charges in the fourth quarter that could result in a net loss of

more than \$400 million for the year, in contrast to income of \$254 million in 1987.

Many analysts had anticipated some write-offs, but their size came as a surprise.

Many of Honeywell's problems relate to its acquisition of the Sperry aerospace group from Unisys Corp. in 1986. Although the purchase complemented Honeywell's existing avionics business and increased its military and aerospace business to nearly 50 percent of sales, from 29 percent, it burdened the company with severe cost overruns on some military contracts.

In October, Honeywell filed suit against Unisys for \$350 million to try to recover some of these costs. Analysts said they doubted the company would receive much compensation from the suit.

Some of the company's home-grown businesses have also stumbled. Operating profits in its military and marine systems unit, which produces weapons like antimissile torpedoes, declined in the third quarter, and its space and aviation systems business, which makes products like laser navigation systems, posted a loss.

World Stock Markets

Table with columns for Market, Close Prev., and various stock indices like Nikkei, DAX, etc.

Crossword puzzle grid with clues for Across and Down.

Weather forecast for Europe, Asia, North America, and Oceania.

Jumble word game with a grid of letters and a scrambled word.

Advertisement for Goldstar VCRs and TVs, featuring the Goldstar logo and product images.

Peanuts comic strip featuring Snoopy and Woodstock.

Blondie comic strip featuring Blondie and Dag.

Beetle Bailey comic strip featuring Beetle Bailey and his boss.

Doonesbury comic strip featuring the Doonesbury family.

Andy Capp comic strip featuring Andy Capp and his wife.

Wizard of ID comic strip featuring a wizard and his assistant.

Garfield comic strip featuring Garfield the cat and his owner.

Beetle Bailey comic strip featuring Beetle Bailey and his boss.

Doonesbury comic strip featuring the Doonesbury family.

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Garfield comic strip featuring Garfield the cat and his owner.

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Garfield comic strip featuring Garfield the cat and his owner.

Vertical text on the right edge of the page, including 'Case J', 'votre D', and 'The Record'.

Ipson, executive director of Chemical Bank... of labor costs and raw materials... Mr. Ipson said... prices are very sharp, and they will...

Stock Market

Table with columns for Close Pre., Change, and various stock symbols like IBM, GE, etc.

West Germany: the land of quality craftsmanship

West Germany: the land where 300,000 Goldstar TVs and 400,000 Goldstar VCRs are produced every year.

Computers Audio Video Home Appliances

Computers Audio Video Home Appliances... floppy disks Audio & Video Cassette



For the Record

Desert Orchid, one of England's most famous steeplechase horses, won the King George VI chase on Monday at Kempton Park, outside of London. It was the second victory in the chase for Desert Orchid, who was ridden by Simon Sherwood. (AP)

A Case for Rating Notre Dame No. 1

Three U.S. college football teams — Notre Dame, West Virginia and Miami — go into the bowl games Jan. 2 with hopes of emerging as national champions. This article begins a three-part series on the prospects for each team.

By Sally Jenkins Washington Post Service

WASHINGTON — Notre Dame's claim to No. 1 began as a forbidden whisper among players during last summer's sweltering workouts, made all the more miserable by the hectoring voice of Coach Lou Holtz telling them to forget it. It was too remote a chance, not just a matter of long hard labor, but also of caprice. "You don't win the national championship," Holtz says. "You just wake up one morning and you're there."

The Fighting Irish have almost survived, because the national championship is now theirs to lose when they meet No. 3 West Virginia in the Fiesta Bowl on Jan. 2. They are a team Holtz accurately calls "about as pretty as I am," yet they have beaten every opponent but one, from elegant, then-No. 1 Miami in the sixth game of the season, to a broad, deep Southern Cal that was No. 2 in the final game of the year. None remains save for the West Virginia Mountaineers, who, while 11-0, are not considered their peers.

Close inspection of the Irish reveals no sign that could have foretold this season. The sum of its parts doesn't add up to the whole, so how did this laborious team become No. 1? "Who cares?" right end Derek Brown said. "We have to be No. 1 after the game for it to mean anything."

Certainly there are skeptics left who would dispute their claim. At Miami, it is said the Hurricanes were robbed in a 31-30 loss to the Irish that came by just a missed two-point conversion. At USC, it is remarked that perhaps the Trojans were worn out by a measles epidemic and their vehement cross-town rivalry with UCLA the week before, so the 27-10 score in Notre Dame's favor was not indicative.

Holtz not only has done nothing to dispel the murmured doubts, he has promoted them. "We've just got to go back and start all over," he sighed. "To call this team a favorite is not realistic."

Asked what kind of edge he would like to have over the Mountaineers, he replies, "I'd rather have the psychological one."

That gets to the root of what Notre Dame has done best this season. The Irish's chief quality has been a mental fortitude, the steadfast refusal to think too much, and thus they have remained undaunted by the most overwhelming of games and avoided being overconfident in the least significant. Throughout their progress to an undefeated regular season, in which they had to knock off four bowl teams, they turned a stolid, cautious face to the public.

"Sure, we can sit around and daydream about how we're No. 1," linebacker Ned Bolcar said. "And get our butts kicked."

With that philosophy as the bonding material, Notre Dame's regular season was an essay in how to painstakingly build a team out of parts and meld it together. Holtz is not indulging in double talk when he points out that the Irish have deficiencies. They are just as starting as he would have you think.

Their option offense, led by quarterback Tony Rice, often can be plodding, and they don't appear to be a defensive juggernaut; they just consistently do enough in all phases to make up the difference. If they lack great individual stars, they have a teamwide charisma.

They were only 36th in the country in total offense, averaging 388 yards a game, and Rice is a supposedly unreliable passer who threw for an unremarkable 130 yards per outing. But they were 11th in rushing, with three backs who have gained more than 600 yards, including Rice. They have the leading kick returner in the nation in Raghib Ismail, who as a flanker caught a 55-yard pass from Rice on the first play of the game against USC to dispel any foolish idea that the Irish aren't capable of striking quickly. End result: They scored 32.6 points a game, 15th best in the nation.

Defensively, they were an upper-echelon team, but not overly impressive. They yielded 280.3 yards per game, ranked No. 13. But again the result is what counts, and in that category they were the third best anywhere, as they gave up only 12.3 points per game. A more subtle attribute was their ability to prevent the big play. They gave up just five runs and 16 passes of more than 20 yards, and no opposing back rushed for 100 yards or more.

The Irish spent the early part of the season as a team to be wondered about, how good no one quite knew. The test came when Miami visited. The Irish had the home field. They had new, carefully cultivated depth, and a determined mind-set instilled by Holtz. The Hurricanes' experience caught up with them as they turned the ball over seven times and quarterback Steve Walsh had a rare error-prone day, throwing three interceptions. The Hurricanes were in it until the final seconds, but Walsh passed incomplete on a two-point try.

"Miami, that was the biggest hurdle in the season," Bolcar said. "The big question was, could we beat Miami? Could anybody beat Miami? If you can't beat Miami, you can't win a national championship. We beat them. Then they started talking all that garbage about home field. But we could've beat them worse, and we'd beat them if we played again."

From there, the Irish had open road to undefeated until they met USC in the last game. The epic instead turned out to be the disappointment of the season, as Notre Dame ran roughshod over the Trojans, even without running back Tony Brooks and receiver Ricky Waters, suspended by Holtz for missing a dinner meeting. Their first play from scrimmage demonstrated that Holtz's bed-mouthing of this team was so much manipulation. Facing first and 10 from his 2-yard line, Rice was asked by assistants what play he wanted to run. He pointed on the game plan to a call that made them burst out laughing. They okayed it, and Rice trotted out to complete the bomb to Ismail.

All the while, the Irish would earn only terse congratulations from Holtz, who would then change the subject immediately to next week's game. He rallied at them in workouts to forget last week, and forget the ranking, and don't look ahead either. It was pure tunnel vision. "You can't overdo it," Brown said. "Almost every day in practice he would say something."

The Irish will continue to proceed this way, shrugging off doubts and disbelief, only to surprise everybody but themselves. That, above all, is the sign of a team secure within itself.

"This is not the most talented team in the world," Holtz said. "But I won't concede it's not a very, very good team, either."

Next: West Virginia



Joey Browner, left, the Vikings safety, intercepts a Jim Everett pass in the first quarter Monday. The intended receiver was Willie Anderson of the Rams. The interception led to a Vikings' touchdown.

Vikings Eliminate Rams On Interceptions, 28-17

The Associated Press

MINNEAPOLIS — Joey Browner's two first-quarter interceptions set up two touchdowns 21 seconds apart that sent the Minnesota Vikings on their way to a 28-17 victory over the Los Angeles Rams Monday and into the quarterfinals of the NFL's Super Bowl derby.

Browner, the Vikings' All-Pro strong safety, picked off Jim Everett at the Minnesota 1 after Los Angeles had taken the opening kickoff to the Minnesota 25. That set up a 73-yard touchdown drive capped by a 7-yard TD run by Alfred Anderson, who also scored from a yard out in the third period. On the first play after the kickoff, Browner got his second, setting up Allen Rice's 17-yard TD bolt up the middle on the next play.

The victory was the second straight in the NFC wild-card game for the Vikings, who were 11-5 in the regular season. It sends them to San Francisco for an NFC semifinal game next Sunday.

Philadelphia will play at Chicago next Saturday in the other NFC game, and Seattle will play at Cincinnati Saturday and Houston at Buffalo Sunday in the AFC.

The Rams, whose three straight wins to end the regular season at 10-6 were the most by any playoff team, threatened throughout the first half, but came out trailing 14-7.

In fact, the Rams were in Minnesota territory on five of their first nine possessions, but came away with just 10 points as the Minnesota defense came up with the big plays when it had to. Everett completed 19 of 44 for 247 yards, but was just 8-for-22 for 84 yards in the first half, when the game was at issue.

The defense was led by Browner, who also had a sack, and linebacker Ray Berry, subbing for the injured Jesse Solomon. He stopped Greg Bell on two plays from the 30 early in the second period and thwarted Henry Ellard on a reverse in the third.

Bell, who had 79 yards in the first half, was held to just 12 in the second, and Scott Studwell ended the last threat with an interception, the third by a team that led the league with 36 in the regular season.

Meanwhile, the offense overcame five sacks, three by linebacker Kevin Greene. Wade Wilson, lifted for Tommy Kramer in the season-ending win over the Bears, completed 17 of 28 for 253 yards.

And it was the offense that put the game away with two long touchdown drives in the second half.

The first went 84 yards in 14 plays following the second-half kickoff and was capped by Anderson's 1-yard run. The second, 72 yards in nine plays, featured a 46-yard pass from Wilson to Anthony Carter and ended with a 2-yard pass from Wilson to backup tight end Carl Hilton.

It was the fifth catch of Hilton's three-year NFL career, all of them for touchdowns.

Everett's 11-yard touchdown pass to Pete Holoban with 1:17 left ended the scoring.

Oilers Gain Confidence Gerald Kenzani of The New York Times reported: The Houston Oilers emerged from their American Conference wild-card victory over the Cleveland Browns as a confident team that believes it can handle the formidable Buffalo Bills in Round 2 of the National Football League playoffs this weekend.

But there were none of the wild "On to the Super Bowl!" theatrics that marked Coach Jerry Glanville's demeanor last year when the Oilers also won a wild-card game, upsetting Seattle. The Oilers were then upended by the Denver Broncos.

Glanville was almost sedate after Saturday's 24-23 victory at Cleveland. Still, he likes his little jokes.

As he changed in the locker room, he invited a visitor from New York to sit beside him. Glanville enjoys the exposure of the news media from big cities. It gives him a chance to tell how his team is recognized, how he suffers having to read how it can't win on the road, how it bothers him when people say his team is terrible playing on grass, or how the Oilers are

demeaned because they can't win in cold weather. With one fine performance, the team erased the doubts. And now the Oilers face the Bills, who dropped three of their last four games.

He relishes the bad-guy image, which his club did nothing to dispel with its 13 penalties for 118 yards against Cleveland.

Perhaps Glanville was giving the Bills something to think about when he said after the game. "This is the AFC Central Division, and it's pretty tough."

LSU Player Gunning for Pistol Pete

New York Times Service

NEW YORK — When the subject of gunners on the basketball court arises in Baton Rouge, Louisiana, only one name needs to be mentioned, Pistol Pete.

The skinny kid with the droopy socks, who averaged 44.2 points a game during his career at Louisiana State, is discussed with reverence. The name of the late Pete Maravich is popping up more these days because there is a new gunner in town.

Chris Jackson, an LSU freshman from Gulfport, Mississippi, was born after Maravich worked his wondrous on the college courts from 1967 through 1970. That has not prevented Tiger fans from comparing the two sharpshooters.

Jackson, who was forced to be a walk-on at LSU because his mother tore up his original letter of intent to attend the college, has made a significant mark in the first seven games of his collegiate career.

The 6-foot (1.83 meter) guard is averaging 30 points a game and is second in the National Collegiate Athletic Association in scoring.

Russell Grant, a teammate, recognized early that Jackson was a special player. "The first time he walked into the gym, I just watched him shoot around and I swear he had to hit 50 of 52 jump shots. Then he started reverse dunking. He was jumping so high, I said, 'This guy is unbelievable.'"

Florida players would agree. Jackson scored 53 points against the Seminoles on Dec. 10 to set a Division I record for freshmen and pace LSU to a 111-101 victory.

When he was a senior at Gulfport High School, Jackson was a local legend. He averaged 29.9 points per game, 5.7 assists and shot 54.8 percent from the field.

If he remains in school for four years, Jackson could make a dash at Maravich's career record scoring total of 3,667 points. Maravich set the mark in three seasons.

A 3-Point Record Knocks Off Iowa

United Press International

HONOLULU — Maurice Pullum scored 33 points and the University of California-Riverside used an NCAA-record 21 three-point field goals Sunday night to upset Iowa 110-92 in the championship game of the Chamaine Christmas Classic. Iowa was unbeaten and ranked No. 4 in both news agency polls.

In other games at the tournament, St. Louis dumped Eastern Washington, 84-71, for third place. Miami (Florida) edged Old Dominion, 77-76, for fifth place and Eastern Illinois routed Chamaine, 74-52, for seventh.

Cal-Riverside, an NCAA Division II team, made 21 of 36 three-point tries to break the previous record of 18 set by Cal State-Sacramento, another Division II team, against Cal State-Hayward on Dec. 15, 1987. The Division I record is 17, set by Oklahoma.

Cal-Riverside, 9-1, led 50-46 at the half and hit three consecutive long-range shots after intermission to jump out to a 59-46 lead.

Iowa, 10-1, went on an 11-0 run with 5:32 left to close within 90-82, but three-pointers by Pullum and Chris Jackson and a layup by Chris Ceballos helped the Highlanders move in from 98-84.

Washington State Halts Houston's Drive, 24-22

The Associated Press

HONOLULU — Timm Rosenbach passed for a touchdown and ran for another, and Tuineau Aipate caused a fumble that preserved the victory Sunday as Washington State, ranked No. 18 by the AP, held off No. 14 Houston, 24-22, in the Aloha Bowl.

Rosenbach, the nation's most efficient passer, completed 19 of 36 passes for 306 yards, and Steve Broussard, a Washington State running back, rushed for 139 yards.

Wide receiver Victor Wood caught a touchdown pass and ran in a fumble for another score as Washington State scored all of its points in the second quarter.

David Dacus relieved quarterback Andre Ware in the third quarter and rallied Houston for two touchdowns that brought the Cougars within two points early in the final period. A Houston two-point conversion pass failed.

Houston's final chance at victory ended after the Cougars drove to the Washington State 5-yard line only to fumble the ball away with 2:44 remaining. Aipate hit wide receiver James Dixon, causing a fumble, which Artie Holmes recovered for Washington State at the 20-yard line.

Washington State intercepted Ware twice in the second quarter. Houston trailed 24-9 at the half, but Dacus brought them back with a 53-yard scoring pass to Kevin

Mason with 4:25 left in the third quarter and a 2-yard shuttle pass for a touchdown to Chuck Weatherpoon with 13:16 remaining in the game.

Washington State and Houston both finished the season 9-3. Washington State's defense, rated the worst in the Pacific 10 Conference against the pass, stifled Houston's run-and-shoot offense in the first half. Houston has the second most-productive pass offense in the country.

Ware was held to eight completions in 28 attempts for 44 yards before he was pulled.

North Wins Blue-Gray Eric Wilhelm completed a 24-yard touchdown pass to Kendall Smith with 25 seconds remaining, and Aaron Jenkins ran in the 2-point conversion Sunday to give the Blue a 22-21 victory in the Blue-Gray game, United Press International reported from Montgomery, Alabama.

Wilhelm, a quarterback from Oregon State, completed an 87-yard drive with his touchdown pass to Smith. The Utah State receiver caught the game-winning pass on the 2 and eluded a Gray defender to score. Jenkins, who ran in the 2-point conversion from the 3-yard line, also scored on runs of 1 and 7 yards for the Blue.

Jackson State's Lewis Tillman scored on runs of 2 and 4 yards and Tennessee's Jeff Francis hit Texas A&M's Rod Harris on an 8-yard touchdown pass for the Gray.

SCOREBOARD

BASKETBALL

NBA Standings

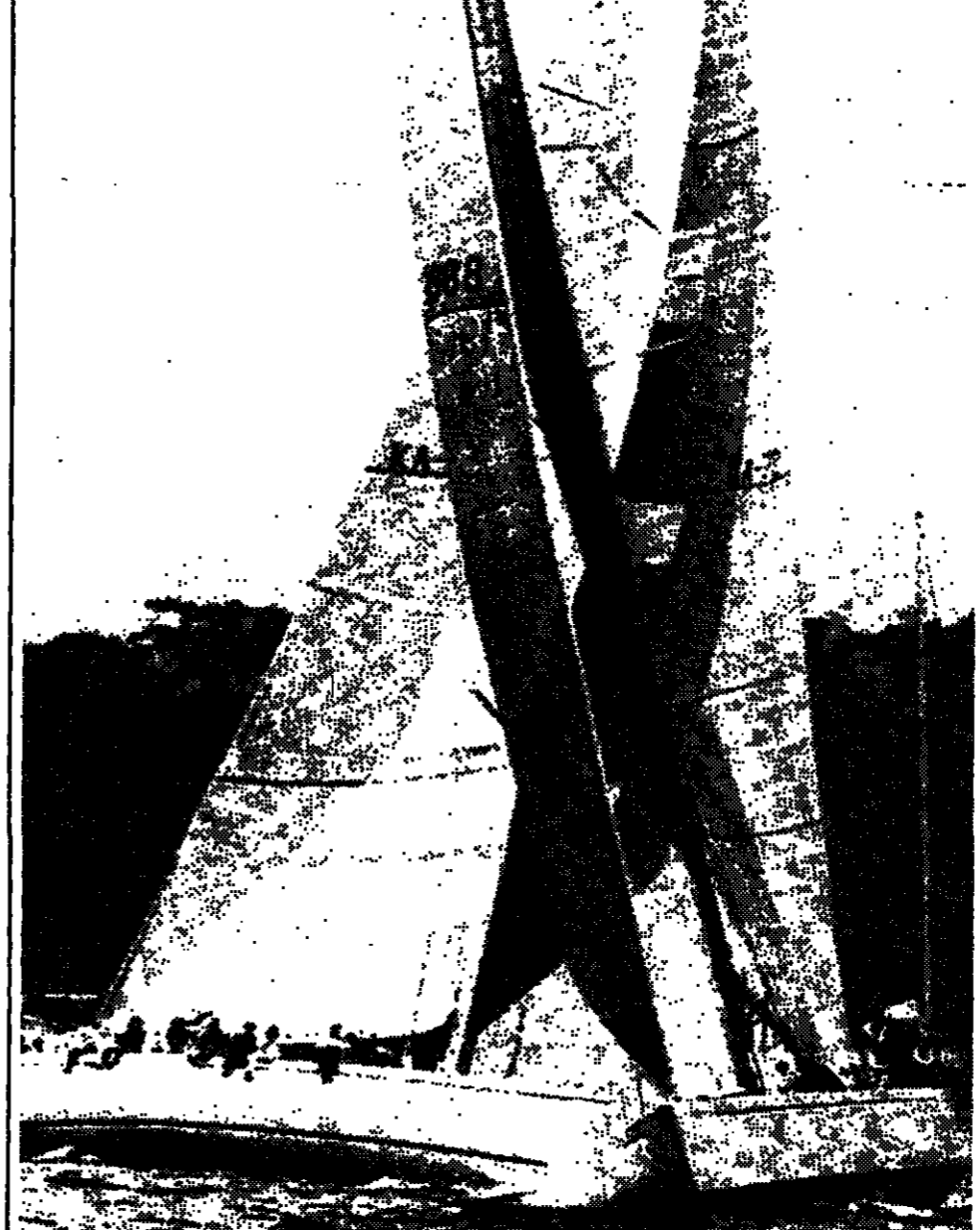
Table with columns for Eastern Conference Atlantic Division, Western Conference Midwest Division, and Pacific Division, listing teams and their records.

SUNDAY'S RESULTS

Table listing Sunday's results for various sports including basketball, football, and soccer.

TRANSITION

ENGLISH FIRST DIVISION: Charlton 2, Arsenal 3; Sheffield Wednesday 1, Newcastle 2; Tottenham 2, Luton 1; Aston Villa 2, Queens Park Rangers 1; Derby 1, Liverpool 1; Manchester United 2, Nottingham Forest 1; Southampton 2, Coventry 2. COLLEGE: SYRACUSE—Suspended Michael Owens, running back, for Hall of Fame Bowl. WASHINGTON—Named Keith Gifferson offensive line coach. WYOMING—Extended contract of Paul Rauch, football coach, through 1997 season. SENECA—Suspended Richard Scott, cornerback, for Holiday Bowl. HOCKEY: METLANS—Hockey League NEW JERSEY—Returned Chris Tarrant, new member, to Utah. American Hockey League VANCOUVER—Suspended Dave Saunders, left wing.



Windward Passage II Leads on the Way to Hobart

The favorite, Windward Passage II, right, tacked in front of the first marker Monday to win the start of the 44th annual Sydney-to-Hobart yacht race. Close behind was Ragamuffin, left, as they sailed through a spectator fleet in Sydney harbor. The yachts must cover 630 nautical miles in the Bass Strait and Tasman Sea. The record for the passage is 2 days, 14 hours, 36 minutes, set in 1975.

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